

BETH C. DRAIN, CA CSR NO. 7152

BEFORE THE
INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE
TO THE
CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE
ORGANIZED PURSUANT TO THE
CALIFORNIA STEM CELL RESEARCH AND CURES ACT
REGULAR MEETING

LOCATION: AS INDICATED ON THE AGENDA

DATE: NOVEMBER 15, 2019; 9 A.M.

REPORTER: BETH C. DRAIN, CA CSR
CSR. NO. 7152

FILE NO.: 2019-17

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SUMMARY OF THE MAJOR COMPONENTS OF THE CALIFORNIA STEM CELL RESEARCH, TREATMENTS, AND CURES INITIATIVE OF 2020	
1. AUTHORIZES \$5.5 BILLION IN STATE GENERAL OBLIGATION BONDS TO FUND STEM CELL RESEARCH, THERAPY DEVELOPMENT, AND THERAPY DELIVERY IN CALIFORNIA.	14
2. DEDICATES, SUBJECT TO PEER REVIEW RECOMMENDATIONS AND BOARD APPROVAL, AT LEAST \$1.5 BILLION TO FUND STEM CELL RESEARCH, THERAPY DEVELOPMENT, AND THERAPY DELIVERY FOCUSED ON DISEASES AND CONDITIONS OF THE BRAIN, SUCH AS ALZHEIMER'S DISEASE, PARKINSON'S DISEASE, STROKE, DEMENTIA, EPILEPSY, DEPRESSION, BRAIN CANCER, SCHIZOPHRENIA, AUTISM, AND OTHER DISEASES AND CONDITIONS OF THE BRAIN.	18
3. EXPANDS ALPHA STEM CELL CLINIC PROGRAM AND ESTABLISHES COMMUNITY CARE CENTERS OF EXCELLENCE AT WHICH CLINICAL TRIALS ARE CONDUCTED AND TREATMENTS AND CURES ARE INTENDED TO BE MADE AVAILABLE TO CALIFORNIA PATIENTS.	25
4. ESTABLISHES TRAINING AND FELLOWSHIP PROGRAMS, THE GOAL OF WHICH IS TO ENSURE THAT CALIFORNIA HAS THE WORKFORCE NECESSARY TO MOVE NEW DISCOVERIES FROM THE RESEARCH STAGE TO THE CLINIC, TO ACCELERATE THE AVAILABILITY	44

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OF TREATMENTS AND CURES, AND TO MAKE TREATMENTS AND CURES ARISING FROM CIRM-FUNDED RESEARCH AVAILABLE TO CALIFORNIA PATIENTS, INCLUDING PREPARING CALIFORNIA UNDERGRADUATES AND MASTER'S STUDENTS FOR TECHNICAL CAREERS IN STEM CELL AND RELATED RESEARCH.

5. RE-ESTABLISHES THE SHARED RESEARCH LABS PROGRAM TO FUND SPECIALIZED INSTRUMENTATION, A SUPPLY OF CELL LINES, CULTURE MATERIALS, AND INSTRUCTION AND TRAINING IN RESEARCH METHODS AND TECHNIQUES AT UNIVERSITIES AND NON-PROFIT RESEARCH INSTITUTIONS IN CALIFORNIA. 48

6. ESTABLISHES THE TREATMENTS AND CURES ACCESSIBILITY AND AFFORDABILITY WORKING GROUP. THE WORKING GROUP IS TASKED WITH RECOMMENDING POLICIES TO THE GOVERNING BOARD INTENDED TO INCREASE ACCESS TO HUMAN CLINICAL TRIALS AND THE AVAILABILITY AND AFFORDABILITY OF TREATMENTS AND CURES ARISING FROM CIRM-FUNDED RESEARCH. 54

7. ESTABLISHES SCIENTIFIC ADVISORY BOARD COMPRISING 10 MEMBERS, 5 APPOINTED BY THE CHAIR AND 5 APPOINTED BY THE PRESIDENT TO ADVISE ON SCIENTIFIC AND POLICY MATTERS, INCLUDING FUNDING PRIORITIES, PORTFOLIO STRATEGIES, COLLABORATIONS, AND OPPORTUNITIES FOR MATCHING FUNDS. 65

8. EXPANDS GOVERNING BOARD FROM 29 TO 35 MEMBERS TO INCLUDE REPRESENTATIVES FROM UC RIVERSIDE AND THE UCSF FRESNO/CLOVIS CAMPUSES, EXPAND THE NUMBER OF PATIENT ADVOCATES, AND ADDS TWO NURSES WITH EXPERIENCE IN CLINICAL TRIAL MANAGEMENT AND THERAPY DELIVERY. 67

9. REQUIRES REVENUE FROM INTELLECTUAL PROPERTY GENERATED BY CIRM-FUNDED RESEARCH BE DEPOSITED IN CALIFORNIA'S GENERAL FUND. TO THE EXTENT PERMITTED BY LAW, SUCH FUNDS ARE REQUIRED BE USED TO OFFSET THE COSTS OF PROVIDING TREATMENTS AND CURES ARISING FROM CIRM-FUNDED RESEARCH TO CALIFORNIA PATIENTS WHO HAVE INSUFFICIENT MEANS TO PURCHASE THE TREATMENT OR CURE. 82

10. REQUIRES GOVERNING BOARD OF CIRM TO DEVELOP CONFLICT OF INTEREST STANDARDS, IN 82

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CONSULTATION WITH THE NATIONAL ACADEMY OF SCIENCES AND THE SCIENTIFIC AND MEDICAL ACCOUNTABILITY STANDARDS WORKING GROUP, FOR THE CONSIDERATION OF FUNDING AWARDS BASED ON BEST PRACTICES ESTABLISHED BY THE NATIONAL ACADEMIES OF SCIENCES TO PREVENT CONFLICTS OF INTEREST IN THE AWARD OF RESEARCH FUNDING.

11. REQUIRES GOVERNING BOARD TO UPDATE STANDARDS, AT LEAST EVERY FOUR YEARS, RELATING TO CONFLICTS OF INTEREST, ETHICAL RESEARCH AND TREATMENT, AND INDEPENDENT FINANCIAL AUDITS. 85

12. IMPOSES CAP OF 70 EMPLOYEES, PLUS UP TO 15 ADDITIONAL EMPLOYEES DEDICATED TO SUPPORTING THE DEVELOPMENT OF POLICIES AND PROGRAMS DESIGNED TO HELP MAKE TREATMENTS AND CURES ARISING FROM CIRM-FUNDED RESEARCH AVAILABLE AND AFFORDABLE FOR CALIFORNIANS. 85

13. ALLOCATES TWO PERCENT OF AMOUNT AVAILABLE FOR GRANTS FOR FACILITIES, EQUIPMENT, AND OPERATIONS OF COMMUNITY CARE CENTERS OF EXCELLENCE (1.5%) AND SHARED LABS (0.5%). 86

4. PUBLIC COMMENT. 88

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NOVEMBER 15, 2019; 9 A.M.

CHAIRMAN THOMAS: GOOD MORNING, EVERYBODY. WELCOME TO THE NOVEMBER 15TH MEETING OF THE ICOC. I WANT, TO BEFORE WE GET GOING HERE, JUST MAKE A FEW PRELIMINARY COMMENTS FOR EVERYBODY. WE ARE JOINED BY A NUMBER OF BOARD MEMBERS HERE IN THE OFFICE AND HAVE A NUMBER AS WELL ON THE PHONE. SO THIS IS GOING TO BE A BIT OF A LOGISTICAL CHALLENGE, BUT WE WILL, I'M SURE, BE ABLE TO HANDLE THIS VERY READILY.

SO A FEW OPENING COMMENTS FROM ME. OCTOBER 10TH, 2019, BOB KLEIN FILED A CITIZEN'S INITIATIVE WITH THE ATTORNEY GENERAL'S OFFICE. THAT INITIATIVE AIMS TO REUP CIRM AND AUTHORIZE THE ISSUANCE OF 5.5 BILLION IN STATE GENERAL OBLIGATION BONDS TO FUND THE RESEARCH.

THE NEW INITIATIVE INCORPORATES MOST OF THE LANGUAGE OF PROP 71, BUT ADDRESSES A NUMBER OF NEW ELEMENTS. AT OUR OCTOBER 31ST BOARD MEETING DURING A DISCUSSION ABOUT DEVELOPING A STRATEGIC PLAN IN ANTICIPATION OF PASSAGE OF THE NEW INITIATIVE, THERE WERE CONCERNS RAISED ABOUT ASPECTS OF THE NEW INITIATIVE. I PROPOSED AT THAT POINT THAT THE BOARD HAVE A SEPARATE MEETING TO THOROUGHLY DISCUSS ALL ISSUES OF CONCERN. THAT IS THE PURPOSE

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1 OF THE MEETING THIS MORNING.

2 WE ARE JOINED HERE AT CIRM HEADQUARTERS,
3 IN ADDITION TO THE SEVERAL MEMBERS OF THE BOARD, BY
4 BOB HIMSELF. AS A MEMBER OF THE PUBLIC, BOB WILL
5 MAKE AN OPENING PUBLIC COMMENT AND THEN BE AVAILABLE
6 THROUGHOUT OUR DISCUSSION TO ANSWER QUESTIONS THAT
7 MIGHT ARISE FROM MEMBERS OF THE BOARD. THIS IS
8 CONSISTENT WITH PAST PRACTICE WHERE THE BOARD IS
9 ENGAGED IN LENGTHY Q AND A WITH PROPOSING PI'S.

10 ONE PROCEDURAL NOTE AND QUESTION.
11 NORMALLY MEMBERS OF THE BOARD SIT IN THE AUDIENCE
12 AND ADDRESS THE BOARD FROM THE PODIUM. AS BOB
13 FIGURES TO BE ENGAGED BY MEMBERS OF THE BOARD AT
14 VARIOUS TIMES DURING OUR DISCUSSION, RATHER THAN
15 HAVE HIM CONTINUALLY GO TO THE PODIUM AND BACK, I
16 WOULD LIKE TO PROPOSE THAT HE HAVE A SEAT AT THE
17 TABLE HERE WITH MEMBERS OF THE BOARD.

18 ARE THERE ANY OBJECTIONS TO US DOING THAT?
19 HEARING NONE, WE WILL CONTINUE.

20 PLEASE NOTE THAT WE ARE HERE TO GIVE
21 FEEDBACK ON THE VARIOUS AMENDMENTS UNDER
22 CONSIDERATION AND NOT TO ADVOCATE FOR THE INITIATIVE
23 IN GENERAL.

24 MR. TORRES: WE ARE READY FOR A ROLL CALL.

25 MS. BONNEVILLE: WHEN YOU'RE DONE WITH

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1 YOUR COMMENTS, WE SHOULD CALL ROLL.

2 CHAIRMAN THOMAS: GOOD POINT.

3 AS JAMES HARRISON HAS NOTED ON A NUMBER OF
4 OCCASIONS, AS A STATE AGENCY, WE CANNOT BE INVOLVED
5 IN ADVOCACY OR IN CAMPAIGNING FOR THE MEASURE.
6 PLEASE REFER TO THE MARCH 30TH, 2017, MEMO I
7 CIRCULATED TO YOU AND THAT IS POSTED ON OUR AGENDA
8 ONLINE.

9 PLEASE NOTE THAT WE'VE ALREADY RECEIVED
10 EXTENSIVE COMMENTS ON THE INITIATIVE, BOTH FROM
11 BOARD MEMBER JEFF SHEEHY AND FROM BOB. WE SHOULD
12 EXPECT THAT WE WILL GET ADDITIONAL COLOR ON THOSE
13 COMMENTS OVER THE COURSE OF THIS CONVERSATION.

14 PROCEDURALLY, YOU ALL HAVE BEFORE YOU THE
15 BULLET POINT SUMMARY OF THE NEW INITIATIVE. WE'LL
16 BE CONSIDERING EACH PROVISION IN TURN. BECAUSE WE
17 HAVE EXACTLY TWO HOURS TO DISCUSS, I'LL BE CLOSELY
18 MONITORING THE TIME FOR DISCUSSING EACH TOPIC. I DO
19 NOT EXPECT SOME OF THE PROVISIONS WILL ENGENDER
20 MUCH, IF ANY, DISCUSSION. OTHER PROVISIONS WILL
21 TAKE A CONSIDERABLE AMOUNT. THE GOAL IS TO GIVE
22 EACH ISSUE ITS FULL CONSIDERATION WITHIN YOUR TIME
23 CONSTRAINTS. IF WE ARE TO GET THROUGH THESE ITEMS,
24 WE MUST STRICTLY ADHERE TO A TIME TABLE.

25 THERE ARE ALSO SOME ISSUES THAT HAVE BEEN

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1 RAISED THAT ARE NOT SPECIFICALLY REFERENCED IN THE
2 BULLET POINT SUMMARY. WE WANT TO MAKE SURE THAT WE
3 GIVE FULL OPPORTUNITY TO DISCUSS THOSE AS WELL.
4 WE'LL BE TAKING THOSE ITEMS UP AFTER WE DISCUSS THE
5 ITEMS ON THE SUMMARY ITSELF.

6 ONE LOGISTICAL NOTE. FOR THOSE ON THE
7 PHONE, AT SUCH TIME AS YOU'D LIKE TO MAKE A COMMENT,
8 PLEASE IDENTIFY YOURSELF AND SAY YOU'D LIKE TO MAKE
9 THAT COMMENT, AND MARIA WILL MAKE A LIST AND WE'LL
10 CALL ON YOU IN TURN.

11 SO WITH THAT AS AN OPENING COMMENT, MARIA,
12 WILL YOU PLEASE CALL THE ROLL.

13 MR. TORRES: I HAVE AN OPENING COMMENT AS
14 WELL.

15 CHAIRMAN THOMAS: OH, YES. MR. SENATOR.

16 MR. TORRES: I JUST WANT TO MAKE REFERENCE
17 THAT MAY 15TH, ALONG WITH MR. SHEEHY, AND MR.
18 JUELSGAARD WAS THERE AS WELL, WE HAD A JOINT
19 GOVERNANCE AND SCIENCE SUBCOMMITTEE WHERE WE WENT
20 OVER A NUMBER OF RECOMMENDATIONS THAT MR. TOCHER HAD
21 PRESENTED TO US. AND THAT WAS SUBSEQUENTLY REVIEWED
22 AT OUR BOARD MEETING OF MAY 23D. SO WE CAN SAVE
23 TIME AND NOT READDRESS, AS YOU SAID, ANY OF THE
24 ISSUES WE'VE TALKED ABOUT ALREADY AND ARE IN THE
25 RECORD. THERE'S A 65-PAGE TRANSCRIPT RECORD IN

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1 TERMS OF WHAT OCCURRED IN THAT SUBCOMMITTEE. MARIA.
2 CHAIRMAN THOMAS: THANK YOU, MR. SENATOR.
3 MS. BONNEVILLE: GEORGE BLUMENTHAL.
4 DR. BLUMENTHAL: HERE.
5 MS. BONNEVILLE: LINDA BOXER.
6 DR. BOXER: PRESENT.
7 MS. BONNEVILLE: DAVID BRENNER. KEN
8 BURTIS.
9 DR. BURTIS: PRESENT.
10 MS. BONNEVILLE: DEBORAH DEAS. ANNE-MARIE
11 DULIEGE.
12 DR. DULIEGE: PRESENT.
13 MS. BONNEVILLE: JUDY GASSON.
14 DR. GASTON: HERE.
15 MS. BONNEVILLE: DAVID HIGGINS.
16 DR. HIGGINS: HERE.
17 MS. BONNEVILLE: STEVE JUELSGAARD.
18 MR. JUELSGAARD: HERE.
19 MS. BONNEVILLE: LINDA MALKAS.
20 DR. MALKAS: HERE.
21 MS. BONNEVILLE: DAVE MARTIN.
22 DR. MARTIN: HERE.
23 MS. BONNEVILLE: SHLOMO MELMED.
24 DR. MELMED: HERE.
25 MS. BONNEVILLE: LAUREN MILLER. ADRIANA

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1 PADILLA.
2 DR. PADILLA: HERE.
3 MS. BONNEVILLE: JOE PANETTA. FRANCISCO
4 PRIETO. ROBERT QUINT.
5 DR. QUINT: PRESENT.
6 MS. BONNEVILLE: AL ROWLETT.
7 MR. ROWLETT: PRESENT.
8 MS. BONNEVILLE: SUZANNE SANDMEYER.
9 DR. SANDMEYER: HERE.
10 MS. BONNEVILLE: JEFF SHEEHY.
11 MR. SHEEHY: HERE.
12 MS. BONNEVILLE: OS STEWARD.
13 DR. STEWARD: HERE.
14 MS. BONNEVILLE: JONATHAN THOMAS.
15 CHAIRMAN THOMAS: HERE.
16 MS. BONNEVILLE: ART TORRES.
17 MR. TORRES: HERE.
18 MS. BONNEVILLE: KRISTINA VUORI.
19 DR. VUORI: HERE.
20 MS. BONNEVILLE: DIANE WINOKUR.
21 MS. WINOKUR: HERE.
22 MS. BONNEVILLE: KEITH YAMAMOTO.
23 DR. YAMAMOTO: HERE.
24 MS. BONNEVILLE: THANK YOU.
25 CHAIRMAN THOMAS: OKAY. LET US PROCEED.

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1 ITEM NO. 1 ON THE SUMMARY. AGAIN, PLEASE, I REFER
2 EVERYBODY TO THAT DOCUMENT WHICH HAS BEEN
3 CIRCULATED. ITEM NO. 1 IS AUTHORIZE 5.5 BILLION IN
4 STATE OBLIGATION -- GENERAL OBLIGATION BONDS -- OH,
5 YES. BOB, YOU'D LIKE IT MAKE AN OPENING COMMENT.

6 MR. KLEIN: FIRST OF ALL, THANK YOU FOR
7 THE PRIVILEGE OF BEING HERE TODAY. AND MAKING
8 MYSELF AVAILABLE TO ANSWER QUESTIONS WITH THIS GROUP
9 IS A DISTINCT HONOR GIVEN THE PHENOMENAL PERFORMANCE
10 OF THIS AGENCY AND THE BOARD.

11 I JUST WANTED TO SAY THAT IN THE CONTEXT
12 OF THE WHOLE DISCUSSION TODAY, WITHOUT GOING INTO
13 ANY ISSUES, THE PERFORMANCE OF THIS AGENCY HAS BEEN
14 REMARKABLE. AND THE BOARD, THE EXTRAORDINARY STAFF,
15 THE DEDICATION OF THE SCIENTISTS IN THE STATE, I
16 WANT TO SAY IT IS A HUGE SUCCESS FROM THE
17 PERSPECTIVE OF THE AUTHORS AND THE EXECUTIVE
18 COMMITTEE OF THE FIRST INITIATIVE IN GETTING TO 75
19 HUMAN TRIALS, WHICH WE NEVER EXPECTED TO OCCUR BY
20 THIS TIME. IT'S A HUGE SUCCESS IN GETTING TO OVER
21 2500 PEER-REVIEWED, PUBLISHED MEDICAL DISCOVERIES,
22 WHICH IS FAR BEYOND OUR DREAM.

23 FOR THE PUBLIC AND THE PEOPLE IN
24 CALIFORNIA, FOR PATIENT ADVOCATES, INCLUDING THE 80
25 PATIENT ADVOCACY GROUPS THAT ENDORSED THIS

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1 INITIATIVE, IT'S A REMARKABLE ACHIEVEMENT. WE HAVE
2 FDA-APPROVED CANCER THERAPIES WHERE CIRM FUNDS
3 CONTRIBUTED TO THOSE SUCCESSES. THEY WERE DEADLY
4 FORMS OF CANCER. I KNEW ONE OF THE MEMBERS WHO GOT
5 THE MEDICATION EARLY, AND UNFORTUNATELY, WITH THE
6 PROCESSES INVOLVING GETTING IT TO FINAL FDA
7 APPROVAL, THAT PERSON, WHO WAS IN FULL REMISSION,
8 COULDN'T STAY ALIVE LONG ENOUGH TO GET TO WHERE THE
9 FDA COULD PROVIDE THE DRUGS, BUT THERE ARE SOME
10 OTHERS IN THE 500 MEMBERS AROUND THE COUNTRY OR
11 PATIENTS WITH THAT DISEASE WHO ARE IN FULL
12 REMISSION.

13 I'D LIKE TO SAY THAT THE OVERSIGHT REPORTS
14 CHAIRED BY THE CONTROLLER WITH THE REPRESENTATIVES
15 OF THE STATE SENATE AND THE SPEAKER AND THE
16 TREASURER ON THAT BOARD, THOSE OVERSIGHT REPORTS ARE
17 PHENOMENAL IN THEIR BEING FILLED WITH
18 ACCOMPLISHMENTS, INCLUDING AUDITS THAT HAVE BEEN
19 CLEAN. SO IT'S A REMARKABLE PERFORMANCE. AND FOR
20 ALL OF THOSE WHO DON'T REALLY UNDERSTAND THE GLOBAL
21 IMPACT OF THIS AGENCY, I WOULD REMIND THEM THAT IN
22 THE ORIGINAL DISEASE TEAM GRANTS, THERE WERE TWO
23 TEAMS FROM CALIFORNIA, TWO TEAMS FROM CANADA
24 SELECTED. THOSE FOUR TEAMS CAME UP IN FOUR YEARS
25 WITH IND'S ESSENTIALLY WITH FDA-APPROVED HUMAN

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1 TRIALS FOR FORMS OF DEADLY CANCER THAT WERE
2 PREVIOUSLY INCURABLE. AND THOSE TRIALS ARE
3 CONTINUING NOW TO DATE.

4 IT'S A REMARKABLE IMPACT THAT THIS AGENCY
5 HAS HAD AROUND THE WORLD, AND I WOULD SAY, WHEN THE
6 NIH, NATIONAL INSTITUTES OF HEALTH, TURNS TO THIS
7 AGENCY AS A MODEL IN HOW IT ADVANCE SICKLE CELL, IT
8 IS A GREAT COMPLIMENT. THE FOUNDATION OF THIS
9 COUNTRY'S MEDICAL RESEARCH IS WITH THE NIH. SO WHEN
10 THEY PAY A SINGLE AGENCY AND A SINGLE STATE A
11 COMPLIMENT OF BEING THE MODEL OF HOW TO ADVANCE TO
12 HUMAN TRIALS IN A DISEASE THAT HAS CAUSED SO MUCH
13 SUFFERING, IT IS A TRIBUTE THAT NO OTHER AGENCY THAT
14 I KNOW OF IN THE COUNTRY HAS REALLY BENEFITED FROM.

15 SO WITH THAT, I WOULD SAY THANK YOU FOR
16 THE PRIVILEGE OF BEING HERE. IT IS A PRIVILEGE TO
17 WORK ON THE INITIATIVE. AND WITH THE HUNDREDS OF
18 SCIENTISTS AND PATIENT ADVOCATES AND COMMUNITY
19 GROUPS AND CIVIC LEADERS THAT HAVE PARTICIPATED OVER
20 THE LAST YEAR AND A HALF OR TWO YEARS IN SUGGESTIONS
21 IN PULLING THIS TOGETHER, IT IS A PRIVILEGE THAT IS
22 ONLY POSSIBLE BECAUSE OF THE REMARKABLE RECORD OF
23 THE AGENCY. THANK YOU.

24 CHAIRMAN THOMAS: THANK YOU, BOB. OKAY.
25 LET US NOW MOVE ON TO THE INDIVIDUAL ITEMS. NO. 1,

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1 AUTHORIZES 5.5 BILLION IN STATE GENERAL OBLIGATION
2 BONDS TO FUND STEM CELL RESEARCH, THERAPY
3 DEVELOPMENT, AND THERAPY DELIVERY IN CALIFORNIA.

4 IS THERE ANY MEMBERS OF THE BOARD WHO
5 WOULD LIKE TO SPEAK TO THIS PARTICULAR ISSUE?
6 HEARING NONE --

7 DR. MARTIN: THIS IS DAVE. I HAD THE
8 UNDERSTANDING THAT THAT DEFINITION HAS BEEN
9 BROADENED AND THAT IT'S NOT NECESSARILY STEM CELL,
10 EXCLUSIVELY STEM CELL, BUT OTHER DISEASES FOR WHICH
11 THERE IS INADEQUATE FUNDING FROM OTHER SOURCES THAT
12 WOULD PROVIDE THE SAME BENEFITS AS THE STEM CELL
13 PROJECTS. SO IS THAT TOO NARROW?

14 CHAIRMAN THOMAS: THAT IS CORRECT. IT'S
15 BEEN EXPANDED TO ENCOMPASS MANY ASPECTS OF
16 REGENERATIVE MEDICINE IN GENERAL, INCLUDING GENE
17 THERAPY, INCLUDING LATEST TECHNOLOGIES, GENE
18 EDITING, ET CETERA. IT'S MEANT TO ADDRESS THE STATE
19 OF THE ART IN REGENERATIVE MEDICINE AS IT STANDS
20 TODAY PLUS ALLOWING FOR THE INEVITABLE ADVANCEMENTS
21 THAT WILL OCCUR GOING FORWARD AS SCIENCE CONTINUES
22 TO ACCELERATE.

23 DR. YAMAMOTO: THIS IS KEITH. JUST TO
24 CLARIFY FURTHER, J.T. SO THERE ARE STILL
25 CONSTRAINTS ON THE FRAMEWORK OF FUNDING FROM CIRM TO

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1 THINGS THAT ARE VIEWED AS UNDER THE UMBRELLA OF
2 REGENERATIVE MEDICINE. WHAT DAVE MARTIN SAID WAS
3 THAT THINGS WOULD BE SUPPORTED THAT ARE PERCEIVED
4 NOT TO HAVE ADEQUATE FUNDING FROM OTHER SOURCES,
5 TRADITIONAL SOURCES, OBVIOUSLY FEDERAL SOURCES WAS
6 IN MIND. THAT'S A BROADER, MUCH BROADER VIEW THAN
7 WHAT YOU SAID. SO CAN YOU CLARIFY THAT A BIT?

8 CHAIRMAN THOMAS: I'M GOING TO CALL ON
9 MR. KLEIN HERE TO ADDRESS THAT ISSUE.

10 MR. KLEIN: THANK YOU, CHAIRMAN THOMAS.
11 SO IN THE ORIGINAL TEXT OF THE INITIATIVE IN 2004,
12 AS APPROVED BY THE VOTERS, HAD A PROVISION THAT SAID
13 STEM CELL RESEARCH THERAPIES AND OTHER VITAL
14 RESEARCH OPPORTUNITIES FOR WHICH THERE'S INADEQUATE
15 OR UNTIMELY FUNDING. THE KEY HERE IS WE'VE LOOKED
16 TO THE BOARD TO BE ABLE TO EXERCISE DISCIPLINE AND
17 VISION. VISION IN THAT I WROTE THAT INITIALLY
18 BECAUSE IT HAPPENED TO HAVE SOME HUMILITY IN NOT
19 UNDERSTANDING WHERE SCIENCE IS GOING TO GO. AND SO,
20 FOR EXAMPLE, THE BOARD HAS USED THAT LANGUAGE TO
21 DATE TO APPROVE GRANTS FOR GENETIC THERAPIES COUPLED
22 WITH STEM CELLS ON A NUMBER OF OCCASIONS. AND THE
23 CURRENT LANGUAGE MAKES -- THE ONLY CHANGE IT MAKES
24 IS THAT THE BOARD, BY A MAJORITY VOTE, INSTEAD OF
25 WHAT WAS IN THE INITIATIVE, WHICH WAS A TWO-THIRDS

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1 VOTE, CAN RECOGNIZE THAT THERE'S VITAL OPPORTUNITIES
2 THAT ARE CREATED THAT NEED TO BE FUNDED.

3 SO, FOR EXAMPLE, THE BOARD, I THINK, HAS
4 HAD PUBLIC DISCUSSIONS OF USING CRISPR 9 WITH SICKLE
5 CELL. THEY'VE RESPONDED TO A VITAL OPPORTUNITY THAT
6 WAS TIME SENSITIVE AND MADE A SPECIFIC DECISION. SO
7 THE BOARD HAS THE POWER, AND THEY'VE SHOWN
8 TREMENDOUS DISCIPLINE IN KEEPING IT IN THE
9 REGENERATIVE MEDICINE AREA WITH STEM CELLS AND
10 GENETIC THERAPIES. THE BOARD IS EMPOWERED AND HAS
11 BEEN EMPOWERED FROM THE VERY BEGINNING. WE JUST
12 CHANGED THAT VOTE FROM TWO-THIRDS TO 50 PERCENT.

13 DR. MARTIN: THANK YOU, BOB.

14 CHAIRMAN THOMAS: KEITH? OKAY.

15 DR. BLUMENTHAL: J.T., THIS IS GEORGE
16 BLUMENTHAL. COULD I MAKE A BRIEF COMMENT?

17 CHAIRMAN THOMAS: SURE.

18 DR. BLUMENTHAL: FIRST OF ALL, I WANTED TO
19 THANK MR. KLEIN FOR BOTH THE WORK HE DID
20 ESTABLISHING THE STEM CELL CENTER AND ALSO FOR BEING
21 PRESENT TO HEAR CONCERNS THAT MIGHT BE RAISED AT THE
22 BOARD.

23 MY SECOND POINT IS I JUST WANT TO
24 EMPHASIZE THAT MOST OF US ARE INDIVIDUALLY VERY
25 SUPPORTIVE OF THIS UPCOMING INITIATIVE. AND I WANT

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1 TO ENCOURAGE ALL OF US TO REMEMBER THAT WE DON'T
2 WANT TO MAKE THE PERFECT BE THE ENEMY OF THE GOOD.
3 SOME OF US, INCLUDING ME, MAY EXPRESS SOME CONCERNS
4 ABOUT CERTAIN PROVISIONS OF THE DRAFT INITIATIVE,
5 BUT THAT SHOULD NOT BE INTERPRETED BY ANYONE AS
6 IMPLYING THAT WE DON'T SUPPORT THE GENERAL IDEA OF
7 MOVING FORWARD WHETHER OR NOT OUR PARTICULAR
8 SUGGESTIONS ARE ADOPTED. I JUST WANTED TO MAKE THAT
9 POINT.

10 CHAIRMAN THOMAS: THANK YOU, GEORGE.
11 OTHER COMMENTS?

12 DR. SANDMEYER: THIS IS SUZANNE. I WOULD
13 JUST ADD TO WHAT GEORGE SAID, THAT I CONSIDER THIS
14 TO BE AN INFORMATIONAL FORUM. AND SO IF THERE ARE
15 QUESTIONS ASKED FOR CLARIFICATION, THAT'S NOT TO BE
16 TAKEN NECESSARILY AS A CRITICISM. JUST TO BE CLEAR.

17 CHAIRMAN THOMAS: THANK YOU, SUZANNE.
18 OTHER COMMENTS?

19 DR. VUORI: J.T., THIS IS KRISTINA. I
20 WOULD LIKE TO ECHO EXACTLY WHAT GEORGE SAID EARLIER.
21 I THINK WE ARE HERE TO PROVIDE CONSTRUCTIVE COMMENTS
22 THAT HOPEFULLY WILL CLARIFY AND PROVIDE SORT OF A
23 FURTHER AWARENESS OF HOW THINGS MIGHT BE IMPROVED OR
24 ENHANCED. BUT, AGAIN, I THINK WORDSMITHING AND
25 TRYING TO TWEAK THINGS INTO SOMETHING THAT'S

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1 ABSOLUTELY PERFECT IS PROBABLY A LITTLE BIT BEYOND
2 WHAT I WOULD HOPE AS THE OUTCOME OF THIS
3 CONVERSATION.

4 DR. MELMED: J.T., THIS IS SHLOMO MELMED.
5 I THOROUGHLY ECHO WHAT THE THREE PREVIOUS SPEAKERS
6 INDICATED. AND NONE OF OUR COMMENTS IN TRYING TO
7 EMBELLISH OR IMPROVE THE LANGUAGE SHOULD BE
8 CONSTRUED AS NOT GIVING ABSOLUTE, TOTAL, UNMITIGATED
9 SUPPORT TO PROCEEDING WITH THIS INITIATIVE.

10 CHAIRMAN THOMAS: OKAY. THANK YOU,
11 KRISTINA; THANK YOU, SHLOMO. NEED TO MOVE ON HERE.
12 WE ARE NEVER GOING -- THAT WAS ONE OF THE LEAST
13 CONTROVERSIAL BULLET POINTS. SO THANK YOU.

14 `SO GOING ON, IF IT'S OKAY WITH THE BOARD,
15 TO THE NEXT ITEM, WHICH IS DEDICATES, SUBJECT TO
16 PEER-REVIEW RECOMMENDATIONS AND BOARD APPROVAL, AT
17 LEAST A BILLION FIVE TO FUND STEM CELL RESEARCH,
18 THERAPY DEVELOPMENT, AND THERAPY DELIVERY FOCUSED ON
19 DISEASES AND CONDITIONS OF THE BRAIN, SUCH AS
20 ALZHEIMER'S DISEASE, PARKINSON'S DISEASE, STROKE,
21 DEMENTIA, EPILEPSY, DEPRESSION, BRAIN CANCER,
22 SCHIZOPHRENIA, AUTISM, AND OTHER DISEASES AND
23 CONDITIONS OF THE BRAIN.

24 I WOULD LIKE TO NOTE FOR THE BOARD THAT I
25 BELIEVE ABOUT 31 PERCENT OF OUR PORTFOLIO, LOOKING

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1 AT DR. MILLAN AT THE MOMENT, IS IN NEURODEGENERATIVE
2 CONDITIONS. IS THAT ROUGHLY CORRECT?

3 DR. MILLAN: A LITTLE BIT MORE THAN THAT
4 FOR THE TOTAL R & D PORTFOLIO, AND THEN IT SHRINKS
5 DOWN A LITTLE BIT IN THE CLINICAL STAGE.

6 CHAIRMAN THOMAS: OKAY. SO THIS JUST AS A
7 POINT OF REFERENCE, THIS BILLION FIVE AS A
8 PERCENTAGE OF 5.5 IS NOT OUT OF LINE WITH WHAT WE
9 ARE ALREADY SEEING DEVOTED TO NEUROLOGICAL
10 CONDITIONS. OBVIOUSLY NOT QUITE THE SAME
11 PERCENTAGE. ANYWAY, ARE THERE COMMENTS ON THAT
12 PROVISION? YES, OS.

13 DR. STEWARD: JUST BRIEFLY. I'VE ALREADY
14 MADE A RECOMMENDATION THAT THE TERM "BRAIN" BE
15 CHANGED. IF WE LEAVE OUT THE VARIOUS DISEASES AND
16 DISORDERS THAT AFFECT THE SPINAL CORD, SUCH CNS, MS,
17 SPINAL CORD INJURY ITSELF, I THINK WOULD MISS MANY
18 OPPORTUNITIES TO DEAL WITH SOME OF THE MOST
19 DEVASTATING DISEASES AND DISORDERS OF NEUROLOGICAL
20 ORIGIN. SO I'VE ALREADY -- JUST TO SAY, I'VE
21 ALREADY MADE THAT RECOMMENDATION.

22 DR. MARTIN: THIS IS DAVE. I WOULD
23 SUGGEST THAT WE JUST CHANGE IT TO CENTRAL NERVOUS
24 SYSTEM BECAUSE THE SPINAL CORD IS INCLUDED IN THAT,
25 BUT NOT THE PERIPHERAL NERVES.

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1 MR. KLEIN: SO THIS IS BOB KLEIN. THE
2 SUGGESTION HAS BEEN MADE BY DR. STEWARD TO INCLUDE
3 CNS IN THIS. AND SO WE ARE GOING TO ADOPT THAT AND
4 INCLUDE THE CNS IN THAT DESCRIPTIVE LIST.

5 CHAIRMAN THOMAS: THANK YOU. OTHER
6 COMMENTS ON THIS PROVISION?

7 DR. SANDMEYER: SUZANNE AGAIN. IS IT
8 WORTHWHILE MAKING THAT NEURODEGENERATIVE IN THE
9 INTEREST OF MAKING IT MORE GENERALIZABLE, OR IS THE
10 IDEA TO MAKE SPECIFIC CONDITIONS OF WHICH PEOPLE ARE
11 FAMILIAR? I MEAN HUNTINGTON'S WOULD BE ANOTHER
12 EXAMPLE WHERE WE HAVE FUNDED RESEARCH.

13 CHAIRMAN THOMAS: OS WOULD LIKE TO RESPOND
14 TO THAT.

15 MR. KLEIN: THE LIST IS MERELY
16 ILLUSTRATIVE. IT DOES NOT NAME EVERY CONDITION THAT
17 WOULD FALL INTO THIS LIST, BUT IT IS -- AND THE
18 BOARD IS GOING TO DECIDE IN THEIR DISCRETION WHAT
19 FALLS WITHIN THIS INTENT.

20 CHAIRMAN THOMAS: OKAY.

21 DR. YAMAMOTO: THIS IS KEITH. MAY I ASK A
22 RATIONALE FOR SPECIFYING OF A PERCENTAGE OF YOUR
23 FUNDS THAT GO TO THESE VARIOUS DISEASES AND
24 DISORDERS? IS IT OUT OF A CONCERN THAT WITHOUT THAT
25 CONSTRAINT THAT AREAS WILL BE UNDERFUNDED? I'M

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1 REALLY ASKING NOT BECAUSE I THINK THERE SHOULDN'T BE
2 SUPPORT GIVEN TO THESE AREAS, BUT BECAUSE IT SEEMS
3 THAT WEAVING AS MUCH DISCRETION AS POSSIBLE TO THE
4 BOARD AND ITS REVIEWERS TO CHOOSE THE BEST PROPOSALS
5 THAT COME FORWARD WOULD BE SOMETHING THAT WOULD BE
6 FAVORABLE. SO MAYBE SOMEONE COULD HELP ME BETTER
7 UNDERSTAND THE REASONS FOR PUTTING UP THIS FENCE
8 AROUND THIS CERTAIN PORTION OF THE FUNDS.

9 CHAIRMAN THOMAS: BOB.

10 MR. KLEIN: YES. THANK YOU VERY MUCH. IN
11 THE LAST YEAR THE COMMUNITY OF THE PATIENTS AND
12 SCIENTISTS AROUND THE STATE IN THIS SPECIFIC AREA
13 HAVE INDICATED THAT, SINCE THIS AREA REVOLVING
14 AROUND THE BRAIN IS SO COMPLEX, AND HUMAN TRIALS FOR
15 THE BRAIN ARE VERY DIFFICULT TO MOUNT AND PROCEED
16 WITH, THAT THEY'RE CONCERNED THAT THE AREA, WHEN IT
17 GOT TO THE CLINICAL STAGE, DIDN'T DO AS WELL AS IN
18 THE BASIC RESEARCH STAGE, AND THAT IT MAY TAKE
19 LONGER FOR THIS AREA, WHICH HAS HUGE SOCIAL COST AND
20 SUFFERING, TO PROGRESS AT THE SAME SPEED AS OTHER
21 AREAS. AND THEY WANTED TO KNOW THAT EVEN THIS AREA
22 WITH EVERY SAFEGUARD, ALL THE ETHICAL STEPS,
23 PRACTICES THAT ARE NECESSARY WOULD HAVE A SPECIFIC
24 ALLOCATION SO THAT EVEN IF IT TOOK THEM TWO YEARS
25 LONGER ON THREE YEARS LONGER TO GET THROUGH THE SAME

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1 PROGRESS AND RECOGNIZE THE IMPORTANCE OF THIS WHOLE
2 AREA OF DISEASES, THAT THERE WOULD BE AN EQUITABLE
3 ALLOCATION ON THE CONSERVATIVE SIDE OF FUNDS INTO
4 THIS AREA, AND THEY WOULDN'T GET TO THE CLINICAL
5 LEVEL ONLY TO FIND THAT THE FUNDS HAD BEEN EXHAUSTED
6 ON OTHER AREAS THAT COULD MOVE FASTER.

7 IN DOING RESEARCH ON THE HISTORY, IT
8 APPEARED THAT WE COULD POTENTIALLY ATTRACT AND HOLD
9 SOME OF THE BEST MINDS IN THE STATE WITH THE
10 ADVANTAGE THAT THEY KNEW THAT, EVEN IF IT TOOK
11 LONGER FOR THEM TO PROCEED FROM DISCOVERY THROUGH
12 TRANSLATION, THROUGH PRECLINICAL, THROUGH CLINICAL,
13 THAT THERE WOULD BE FUNDS IN THIS AREA FOR THE WORK
14 THAT THEY COMMITTED THEIR LIVES TO.

15 DR. YAMAMOTO: I HEAR YOU, BOB. BUT I
16 GUESS I'M CONCERNED THAT THIS KIND OF CONSTRAINT IS
17 AN ARTIFICIAL ONE THAT REALLY COMES FROM A LACK OF
18 CONFIDENCE IN THE JUDGMENT OF OUR REVIEWERS AS THEY
19 LOOK AT THE VARIOUS PROPOSALS THAT COME FORWARD, AND
20 THAT GIVING THEM AS MUCH FREEDOM AS POSSIBLE TO
21 SELECT AND FUND THE BEST WORK AT LEVELS THAT THEY,
22 IN THEIR BEST JUDGMENT, FEEL ARE APPROPRIATE WOULD
23 BE PREFERABLE.

24 SO I GUESS I DON'T SHARE THE CONCERN THAT
25 THEY HAVE VOICED TO YOU, BUT THANKS FOR THAT

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1 CLARIFICATION.

2 DR. PRIETO: MR. CHAIRMAN.

3 CHAIRMAN THOMAS: YES.

4 DR. PRIETO: THIS IS FRANCISCO PRIETO.
5 ECHO THAT. AND I'VE SHARED MY COMMENTS WITH
6 MR. KLEIN. I'M CONCERNED ABOUT PUTTING TOO MANY
7 CONSTRAINTS AROUND THE FUTURE BOARD GOING FORWARD.
8 AND EVEN IF THE LANGUAGE IS FAIRLY PERMISSIVE, I
9 THINK THAT WE'VE ALREADY SEEN THAT THE SCIENCE CAN
10 SURPRISE US. I DON'T THINK WHEN PROP 71 WAS PASSED
11 THAT ANY ONE OF US ANTICIPATED WHAT WAS GOING TO
12 HAPPEN WITH INDUCED PLURIPOTENCY. THE PATH THAT
13 THIS MAY TAKE GOING FORWARD, I THINK, WILL SERVE THE
14 INTERESTS OF PATIENTS AND PEOPLE WITH CHRONIC
15 DISEASES, BUT WE SHOULDN'T ASSUME THAT OR CONSTRAIN
16 THE BOARD TO ABSOLUTELY SPEND X PERCENTAGE ON X
17 CATEGORY OF DISEASES BECAUSE THE OPPORTUNITIES THAT
18 APPEAR MAY COMPLETELY SURPRISE US AND MAY BE
19 IMPORTANT TO PURSUE.

20 DR. VUORI: J.T., THIS IS KRISTINA. I
21 WOULD LIKE TO MAKE A FEW COMMENTS. I INTERPRETED
22 THIS, ACTUALLY WHEN I READ IT, A LITTLE DIFFERENTLY.
23 AND I ACTUALLY FOUND THIS LANGUAGE TO BE VERY GOOD
24 FROM THE PERSPECTIVE THAT BRAIN DISEASES, CNS
25 DISORDERS IS A TREMENDOUS BOTH UNMET MEDICAL NEED,

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1 ALSO BRAIN IS PROBABLY THE LAST FRONTIER. SO IF I
2 WERE UNDERSTANDING AS IT COMES TO THE COMPLEX
3 BIOLOGIES, IT'S A HUGE SOCIETAL ISSUE AS A CATEGORY
4 OF DISEASES. AND VERY LITTLE PROGRESS HAS BEEN MADE
5 IN THE LAST SEVERAL DECADES IN ADDRESSING THESE
6 DISEASES COMPARED TO, FOR EXAMPLE, CANCER,
7 CARDIOVASCULAR DISEASES, ET CETERA.

8 SO I READ THIS LANGUAGE AS AN
9 ENCOURAGEMENT FOR SCIENTISTS IN THE STATE OF
10 CALIFORNIA AND PERHAPS ELSEWHERE THAT WANT TO MOVE
11 TO CALIFORNIA AS SORT OF A VISIONARY INDICATION BY
12 CIRM THAT THIS IS THE RESEARCH, THAT WE RECOGNIZE
13 THE UNMET NEED. AND GIVEN THE COMPLEXITY, GIVEN THE
14 TIMELINES IT TAKES TO DEVELOP TREATMENTS FOR THESE
15 DISORDERS, WE TRUST THAT BY PROVIDING FUNDING WE CAN
16 REALLY ENTICE THE BEST AND THE BRIGHTEST TO WORK ON
17 THESE COMPLEX DISORDERS. SO TO ME IT WAS
18 REALLY -- I READ IT AS A POSITIVE REINFORCEMENT AND
19 INDUCEMENT FOR SOME OF THE BEST AND BRIGHTEST
20 SCIENTISTS INTO CALIFORNIA TO PURSUE THESE REALLY
21 UNPREDICTABLE PATHS KNOWING THAT THERE MIGHT BE
22 FUNDING FOR GREAT QUALITY APPLICATIONS IN THE
23 FUTURE.

24 CHAIRMAN THOMAS: THANK YOU, KRISTINA.
25 ART, DID YOU HAVE A COMMENT?

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1 MR. TORRES: YES. OTHER THAN TO SAY I
2 ASSOCIATE MYSELF WITH KRISTINA'S COMMENT, NO. 1.

3 NO. 2, I THINK THE DISCRETION ON THE
4 BOARD'S EFFORT IS GOING TO REMAIN THERE.

5 AND, THIRDLY, I'VE DONE A LOT OF RESEARCH
6 AS A MEMBER OF THE COVER CALIFORNIA BOARD ON THE
7 COST OF ALZHEIMER'S AND DEMENTIA IN CALIFORNIA. IT
8 IS OUTRAGEOUS. WE ARE TALKING 265 BILLION
9 NATIONWIDE. JUST PUT THAT IN NUMBERS IN TERMS OF
10 CALIFORNIA.

11 IF WE CAN HAVE AN IMPACT ON THE SOCIAL
12 COST OF CAREGIVERS, OF IN-HOME SUPPORT SERVICES, AND
13 MEDI-CAL, ALL OF THESE OTHER FACTORS, THAT
14 ENCOURAGEMENT, AS KRISTINA WAS TALKING ABOUT, CAN
15 HELP THE TAXPAYERS IN THE END.

16 CHAIRMAN THOMAS: OKAY. WE NEED TO MOVE
17 ON HERE. I THINK WE'VE GOT SOME GOOD COMMENTS ON
18 BOTH PERSPECTIVES. IN THE INTEREST OF TIME, WE HAVE
19 SOME OTHER ITEMS THAT ARE GOING TO BE LENGTHIER IN
20 DISCUSSION. SO IF IT'S OKAY WITH EVERYBODY, WE ARE
21 GOING TO MOVE ON TO ITEM 3, WHICH IS EXPANDS ALPHA
22 STEM CELL CLINIC PROGRAM AND ESTABLISHES COMMUNITY
23 CARE CENTERS OF EXCELLENCE AT WHICH CLINICAL TRIALS
24 ARE CONDUCTED AND TREATMENTS AND CURES ARE INTENDED
25 TO BE MADE AVAILABLE TO CALIFORNIA PATIENTS.

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1 WE HAVE COMMENTS ON THIS PARTICULAR
2 PROVISION? MR. SHEEHY.

3 MR. SHEEHY: YES. THANK YOU, CHAIRMAN
4 THOMAS. THIS WAS ONE OF THE ASPECTS OF THE NEW
5 MEASURE THAT I FOUND CONFUSING AND POTENTIALLY
6 TROUBLING. FIRST OF ALL, CIRM ALREADY HAS THE
7 ABILITY TO EXPAND ITS ALPHA STEM CELL CLINIC
8 PROGRAM. SO IT WAS HARD FOR ME TO UNDERSTAND WHY
9 THAT SHOULD BE PRESCRIBED IN THE INITIATIVE. IT
10 REALLY IS SOMETHING I THINK MOST OF US WOULD AGREE
11 HAS BEEN A QUITE SUCCESSFUL PROGRAM. AND IT
12 REALLY -- ITS EXPANSION SHOULD BE DRIVEN BY EVIDENCE
13 COLLECTED BY THE AGENCY'S TEAM AND DETERMINED BY OUR
14 REVIEWERS. AND TO PRESCRIBE THE EXPANSION OF THE
15 NETWORK WAS HARD FOR ME TO UNDERSTAND THE NEED FOR.

16 THE SECOND -- AND, FRANKLY, WE HAVE TO BE
17 HONEST. THIS IS SOMETHING THAT TYPICALLY HAS -- THE
18 ALPHA CLINICS HAVE TYPICALLY TAKEN PLACE AT
19 ESTABLISHED ACADEMIC RESEARCH CENTERS. AND PUSHING
20 BEYOND THE NUMBER WE HAVE RIGHT NOW IN TERMS OF
21 ACTUAL NEED GEOGRAPHICALLY, I THINK, IS A CHALLENGE
22 IN AND OF ITSELF. LIKE I SAID, THE AGENCY IS FULLY
23 CAPABLE OF EXPANDING THE NETWORK, AND I WOULD HAVE
24 ANTICIPATED THAT CONSIDERATION OF EXPANSION OF THE
25 ALPHA CLINIC NETWORK WOULD HAVE BEEN AN ELEMENT IN

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1 ANY NEW STRATEGIC PLAN. BUT, AGAIN, THAT WOULD HAVE
2 BEEN DETERMINED BY NEED AND BY EVIDENCE.

3 COMMUNITY CARE CENTERS OF EXCELLENCE I
4 FIND EXTREMELY CONFUSING IN THAT ANYONE WHO'S SPENT
5 ANY TIME DEALING WITH PUBLIC HEALTH IN CALIFORNIA IS
6 AWARE OF THE HUGE DISPARITY THAT EXISTS IN ACCESS TO
7 CARE. SO I WAS CHALLENGED BY THE NOTION THAT WE
8 WOULD BE CREATING CLINICAL TRIAL CAPACITY IN AREAS
9 WHERE WE HAVEN'T CREATED ADEQUATE CLINICAL CARE
10 CAPACITY. AND THAT WAS A BIT DISCONCERTING.

11 THE WAY IN WHICH IT'S DESCRIBED ALSO
12 DRIVES PEOPLE INTO REGENERATIVE MEDICINE TRIALS.
13 AND I THINK WHEN PEOPLE ARE IMPACTED BY
14 LIFE-THREATENING DISEASES AND CONDITIONS AND LACK
15 ACCESS TO CARE, WHEN THEY ALL ARE OFFERED ACCESS TO
16 CLINICAL TRIALS, IT SHOULD BE THE FULL SPECTRUM OF
17 PRODUCTS. REGENERATIVE MEDICINE PRODUCTS OFTEN ARE
18 QUITE RISKY AND MAY POSE SIGNIFICANT RISK OF A SMALL
19 MOLECULE OR A MONOCLONAL ANTIBODY THERAPY. AND I
20 THINK TO OFFER PEOPLE REGENERATIVE MEDICINE CLINICAL
21 TRIALS IN THE ABSENCE OF A FULL CLINICAL TRIAL
22 NETWORK THAT WOULD OFFER A PATIENT THE FULL PANOPLY
23 OF OPTIONS IS A CHALLENGE FOR ME.

24 THE DISCONNECT BETWEEN THIS PROPOSAL AND
25 WHAT I PERCEIVE TO BE A REAL NEED, WHICH IS ACCESS

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1 TO THESE NEW PRODUCTS AFTER THEY'VE BEEN APPROVED.
2 THE ABILITY TO DELIVER, AND I'LL USE THE EXAMPLE OF
3 THE CAR-T CELL THERAPIES FOR CANCER, KYMRIAHA AND
4 YESCARTA, WHICH HAVE HAD AMAZING RESULTS IN LEUKEMIA
5 AND OTHER CANCERS, ARE REALLY ONLY AVAILABLE RIGHT
6 NOW AT ACADEMIC RESEARCH INSTITUTIONS OR VERY
7 SOPHISTICATED COMPREHENSIVE CANCER CENTERS. THAT
8 CAPACITY DOES NOT EXIST EVERYWHERE IN CALIFORNIA. I
9 WOULD HAVE BEEN VERY SUPPORTIVE OF A MEASURE THAT
10 CREATED CAPACITY THROUGHOUT CALIFORNIA FOR THESE
11 THERAPIES, BUT THAT'S A COMPLETELY DIFFERENT
12 PROPOSAL THAN WHAT'S BEFORE US. THAT WOULD MEAN
13 ENGAGING WITH EXISTING PREEXISTING DONORS, EXISTING
14 PAYERS, CREATING A REAL NETWORK SO THAT THESE
15 THERAPIES ARE AVAILABLE. AND I WOULD JUST REMARK
16 THAT EVEN FOR THE PLACES WHERE CAR-T CELL THERAPIES
17 ARE AVAILABLE, THERE'S STILL PROBLEMS WITH
18 REIMBURSEMENT, AND THEY'RE NOT QUITE ADEQUATE TO
19 MAKE THEM FULLY AVAILABLE.

20 SO THAT'S MY CONCERN. AND, AGAIN, THIS IS
21 PRESCRIPTIVE. SO THIS PUSHES CIRM INTO THE BUSINESS
22 OF CREATING SOMETHING WITHOUT A FULL EVIDENCE-BASED
23 RECORD OF NEED WITHOUT FULLY BAKING IN REALLY THE
24 CONNECTION TO PROVIDING THERAPIES.

25 AND I WOULD JUST NOTE, RIGHT NOW CIRM DOES

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1 NOT HAVE AN APPROVED THERAPY. SO WE ARE REALLY -- I
2 JUST GET VERY NERVOUS ABOUT OVERPROMISING WITH
3 CLINICAL TRIALS. IF YOU'RE A PATIENT, IN A PHASE 1
4 OR A PHASE 2 CLINICAL TRIAL, AND WE HAVE HAD
5 MULTIPLE DISCUSSIONS OF THIS AT THE STANDARDS
6 WORKING GROUP, YOU HAVE TO BE VERY CAREFUL ABOUT
7 WHAT YOU PROMISE. THE EARLY CLINICAL TRIALS,
8 ESPECIALLY PHASE 1, ARE TO DETERMINE SAFETY. SO YOU
9 CANNOT PROMISE PEOPLE ANY ASPECT OF EFFICACY
10 ETHICALLY IN PUTTING THOSE TRIALS FORWARD.

11 AND WHERE I SEE A HUGE GAP IS IN THE PHASE
12 3 CLINICAL TRIAL WHERE PRODUCTS HAVE BEEN PROVED
13 SAFE, GENERALLY THERE'S SOME SIGNAL OF EFFICACY, BUT
14 THOSE PATIENTS THAT ARE MOST DESPERATE FOR THOSE
15 THERAPIES, THOSE SICKEST PATIENTS TYPICALLY HAVE
16 ENORMOUS HURDLES IN GETTING INTO THOSE CLINICAL
17 TRIALS BECAUSE, BY THE NATURE OF THEIR NEED, THEIR
18 INCLUSION WOULD SKEW THE RESULTS TOWARDS FAILURE.

19 AND SO WE HAVE SEEN IN HIV, FOR INSTANCE,
20 COMPASSIONATE ACCESS PROGRAMS THAT HAVE ALLOWED
21 PATIENTS TO GET ACCESS TO LIFE-SAVING MEDICATIONS IN
22 PHASE 3 PRIOR TO APPROVAL WITHOUT HAVING THEIR
23 DATASETS INCLUDED IN THE ULTIMATE DATASETS THAT THE
24 SPONSOR PROVIDES TO THE FDA FOR APPROVAL.

25 A PROGRAM SUCH AS THAT, A PROGRAM THAT

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1 FUNDED COMPASSIONATE ACCESS TO PROJECTS IN PHASE 3
2 BECAUSE THERE IS A COST AND, FRANKLY, REGENERATIVE
3 MEDICINE, I THINK, SPONSORS TEND TO RUN A BIT LEANER
4 AND THE COST OF THE PRODUCTS ARE A BIT HIGHER. IT'S
5 ONE THING TO PROVIDE ADDITIONAL PILLS TO SOMEONE
6 THAN IT IS THE PROCEDURES OUT OF COMPASSION AND AT
7 COST.

8 I WOULD PREFER SEEING COMPASSIONATE -- IF
9 WE WERE GOING TO SO STIPULATE SUCH A THING WITH WHAT
10 I UNDERSTAND TO BE THE GOAL TO PROVIDE ACCESS TO
11 PRODUCTS AND THE THERAPIES FOR PEOPLE WHO DON'T HAVE
12 ACCESS TO THEM, I WOULD PREFER TO SEE A
13 COMPASSIONATE ACCESS PROGRAM. AND IF WE ARE TALKING
14 ABOUT A CLINICAL PROGRAM, I WOULD THINK IT WOULD BE
15 FIRST IMPORTANT TO MAKE SURE PEOPLE HAVE ACCESS TO
16 CARE AND THERAPIES THAT ARE ALREADY APPROVED AS
17 OPPOSED TO OFFERING WHAT I THINK IS SOMEWHAT
18 QUESTIONABLE AT EARLY STAGE CLINICAL TRIALS IN
19 REGENERATIVE MEDICINE ARE THE SOLUTION.

20 CHAIRMAN THOMAS: THANK YOU. BEFORE WE
21 TURN TO BOB FOR RESPONSE ON THOSE COMMENTS, I WANT
22 TO SEE IF THERE ARE OTHER COMMENTS ON THIS PROVISION
23 BY OTHER MEMBERS OF THE BOARD.

24 DR. PRIETO: MR. CHAIRMAN.

25 CHAIRMAN THOMAS: YES.

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1 DR. PRIETO: THIS IS DR. PRIETO AGAIN. I
2 KNOW REALLY MY COMMENTS ARE IN A SIMILAR VEIN TO
3 WHAT I SAID ABOUT THE EARLIER PROVISION. I'M
4 CONCERNED ABOUT PUTTING TOO MANY SPECIFIC
5 REQUIREMENTS AND CONDITIONS ON THE FUTURE BOARD WHEN
6 WE DON'T KNOW WHAT RESOURCES ARE GOING TO BE
7 AVAILABLE, WHAT MR. SHEEHY ALLUDED TO, AND WHAT THE
8 STATE OF THE RESEARCH AND CLINICAL PROGRESS IS GOING
9 TO BE. I UNDERSTAND THE RATIONALE FOR EACH OF THESE
10 SPECIFIC RECOMMENDATIONS, IF YOU WILL, OR
11 REQUIREMENTS, AND I TALKED TO BOB KLEIN ABOUT THEM,
12 BUT I'M STILL A LITTLE WARY OF THEM. AND I THINK
13 IT'S BETTER FOR THE LANGUAGE TO BE PERMISSIVE AND
14 ENCOURAGING THAN OVERLY SPECIFIC.

15 CHAIRMAN THOMAS: THANK YOU, FRANCISCO.
16 OTHER COMMENTS FROM MEMBERS OF THE BOARD?

17 MR. HIGGINS: THIS IS DAVID HIGGINS. CAN
18 I MAKE A COMMENT?

19 CHAIRMAN THOMAS: YES, DAVID.

20 MR. HIGGINS: THIS PERTAINS TO WHAT
21 FRANCISCO JUST SAID AS WELL AS EARLIER CONVERSATION
22 ABOUT DEGENERATIVE APPLICATIONS. THIS IS THE
23 DOWNSIDE FROM HAVING THESE SORT OF SPECIFIC
24 ALLOCATIONS, IF YOU WILL. WHAT ARGUMENT CAN BE MADE
25 THAT WE SHOULDN'T DO THAT?

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1 DR. YAMAMOTO: THIS IS KEITH. I'LL JUST
2 REPEAT WHAT I SAID ABOUT THE TERM "DEGENERATIVE
3 WORK." AND THAT IS THAT WE'D LIKE TO PUT AS FEW --
4 IT SEEMS FAVORABLE TO PUT AS FEW CONSTRAINTS ON THE
5 WISE SCIENTIFIC JUDGMENT OF THE REVIEWERS WHO HAVE
6 AGREED TO SERVE THIS ENDEAVOR AND ALLOW THE SCIENCE
7 AND THE QUALITY OF SCIENCE TO DRIVE ALL OF OUR
8 FUNDING. SO WE CAN MAXIMIZE OR OPTIMIZE THAT
9 FREEDOM, I THINK, IS THE RATIONALE FOR BEING WARY OF
10 PRECONDITIONS THAT SET THE AMOUNT OF FUNDING.

11 I'M NOT SURE IN THE CASE OF THE ALPHA
12 CLINICS THAT IS A REAL PRECONDITION. BOB CAN HELP
13 TO CLARIFY THAT, BUT I THINK ON THE SETTING OF A
14 PERCENTAGE OF FUNDING FOR CNS DISEASES WAS THE BASIS
15 OF MY CONCERN.

16 MR. HIGGINS: I UNDERSTOOD COMPLETELY,
17 KEITH. I APPRECIATE THAT. I DON'T TOTALLY DISAGREE
18 WITH THAT. BUT DO WE HAVE ANY EVIDENCE THAT THAT
19 HAS IMPUTED THE FUNDING OF GOOD RESEARCH IN CIRM'S
20 LIFE TO DATE?

21 CHAIRMAN THOMAS: WE DON'T. BUT, MR.
22 SHEEHY, YOU HAD AN ANSWER TO DAVID'S QUESTION.

23 MR. SHEEHY: I HAD A COUPLE. IN TERMS OF
24 IMPEDING, THE ORIGINAL INITIATIVE DOES NOT HAVE THE
25 SAME STRICTURES THAT ARE BEING INTRODUCED HERE,

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1 SPECIFICALLY PROGRAMMING. OUTSIDE OF THE MANDATE TO
2 CONSTRUCT BUILDINGS, WHICH WAS FRANKLY NECESSARY
3 BECAUSE IN 2004 YOU COULD NOT DO EMBRYONIC STEM CELL
4 RESEARCH IN ANY FACILITY OR USE ANY MATERIALS THAT
5 HAD RECEIVED ANY, EVEN A SCINTILLA OF FUNDING FROM
6 THE FEDERAL GOVERNMENT.

7 BUT JUST TO GO BACK TOWARDS THE QUESTION
8 OF WHAT IS THE HARM, I REALLY THINK WE HAVE TO
9 REMEMBER THIS IS TAXPAYERS' MONEY, THAT THIS IS
10 MONEY THAT COMES FROM THE PEOPLE OF CALIFORNIA THAT
11 THEY WILL HAVE TO PAY BACK. WE HAVE AN OBLIGATION,
12 FIRST OF ALL, NOT TO CREATE WASTE. BUT, SECOND,
13 IT'S SOMEWHAT SURREAL TO ME TO GO TO AN UNDERSERVED
14 COMMUNITY AND OFFER THEM CLINICAL TRIAL ACCESS WHEN
15 WE CANNOT OFFER THEM THE HIGHEST STANDARD OF BASIC
16 MEDICAL CARE. I WOULD BE JUST -- I MEAN I JUST
17 THINK THE POLICYMAKERS IN CALIFORNIA, I WONDER IF
18 THAT'S A STATEMENT THEY WOULD LIKE TO MAKE.

19 CHAIRMAN THOMAS: THANK YOU, MR. SHEEHY.
20 HOLD ON, BOB, ONE SECOND. ARE THERE OTHER COMMENTS
21 FROM MEMBERS OF THE BOARD ON THIS PARTICULAR
22 PROVISION?

23 DR. VUORI: J.T.

24 CHAIRMAN THOMAS: HOLD ON ONE SECOND.
25 ANNE-MARIE AND THEN KRISTINA.

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1 DR. DULIEGE: FIRST, I AGREE WITH JEFF
2 THAT WE PROBABLY DON'T NEED TO MANDATE AN EXPANSION
3 OF THE ALPHA STEM CELL CLINICS. IT SHOULD BE DONE
4 BASED ON DATA AND NEED.

5 SECOND, IT MIGHT BE USEFUL, BOB, IF YOU
6 CAN CLARIFY BRIEFLY WHAT IS THE INTENT OF THE
7 COMMUNITY CARE CENTERS OF EXCELLENCE SO THAT ALL OF
8 US ARE ON THE SAME PAGE HERE.

9 CHAIRMAN THOMAS: OKAY. HOLD STILL ONE
10 MORE SECOND. I WANT TO GET ALL THE QUESTIONS SO WE
11 DON'T HAVE TO KEEP GOING BACK AND FORTH WITH BOB.
12 OTHER COMMENTS FROM MEMBERS OF THE BOARD?

13 DR. VUORI: SO, J.T., THIS IS KRISTINA, IF
14 I MAY.

15 CHAIRMAN THOMAS: PLEASE.

16 DR. VUORI: I HAVE A QUESTION AND COMMENT.
17 SO MY QUESTION TO BOB IS THAT WHEN I READ THIS
18 SPECIFIC LANGUAGE, I UNDERSTOOD THAT THIS IS STILL
19 AT THE DISCRETION OF THE BOARD. IN OTHER WORDS, IF
20 THAT WAS MEANT AS A NETWORK OF COMMUNITY CENTERS,
21 IT'S NOT TIMELY FOR WHATEVER REASON. MY
22 UNDERSTANDING IS THAT CIRM WILL NOT ESTABLISH THOSE.
23 THAT IS A QUESTION TO BOB IF MY INTERPRETATION IS
24 CORRECT.

25 THEN AS IT COMES TO SORT OF GENERICALLY TO

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1 THE LANGUAGE IN THIS WHOLE INITIATIVE, I THINK ONE
2 EXTREME IS TO HAVE TWO BULLET POINTS IN FRONT OF THE
3 VOTERS WHEN WE ARE ASKING FOR \$6.5 BILLION.

4 AND POINT NO. 2 IS I FEEL THEY'LL
5 DETERMINE HOW THE MONIES ARE SPENT, END OF STORY,
6 PERIOD. SO THAT OBVIOUSLY PROVIDES ABSOLUTE MAXIMUM
7 FLEXIBILITY TO THE ICOC. AT THE SAME TIME, I THINK
8 VOTERS WILL PROBABLY LIKE TO SEE SOME IDEAS AS TO
9 WHAT THIS REALLY MEANS. I THINK IT'S SORT OF A
10 BALANCE OF HAVING SOME IDEAS WHERE THE FIELD IS AND
11 WHAT COULD HAPPEN GOING FORWARD VERSUS BEING EITHER
12 OVERLY (UNINTELLIGIBLE) ABOUT IT AND OVERLY
13 PRESCRIPTIVE.

14 FINAL COMMENT IS THAT THIS CONVERSATION
15 REMINDS ME A LITTLE BIT OF A CONVERSATION THAT TOOK
16 PLACE 15 YEARS AGO IN THE CONTEXT OF NATIONAL CANCER
17 INSTITUTE. SO NCI HAS A NETWORK OF COMPREHENSIVE
18 CANCER CENTERS IN THE NATION. THIS WAS ESTABLISHED
19 WHEN PRESIDENT NIXON DECLARED THE WAR AGAINST CANCER
20 AND HAVE BEEN ENORMOUSLY SUCCESSFUL. THERE ARE
21 MULTIPLE OF THESE CENTERS IN CALIFORNIA, AND
22 CALIFORNIA, OF COURSE, AS A CONSEQUENCE, IS ONE OF
23 THE REALLY LEADING STATES FOR CANCER PATIENTS FOR
24 TREATMENT AND CLINICAL TRIALS AS WELL. AND WHAT NCI
25 DID 15 YEARS AGO IS TO ESTABLISH A COMMUNITY CANCER

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1 CENTERS NETWORK. THIS WAS THE IDEA THAT PATIENTS
2 WHO ARE OBVIOUSLY SICK OF CANCER, THAT IT'S JUST NOT
3 FEASIBLE FOR THEM IT TRAVEL TO THE COMPREHENSIVE
4 CANCER CENTERS, AND YET WOULD LIKE TO PARTICIPATE,
5 IN THOSE DAYS, IN CLINICAL TRIALS AND HAVE ACCESS TO
6 CARE THAT TYPICALLY IS ONLY PROVIDED IN THE
7 COMPREHENSIVE CANCER CENTER SETTING. AND THERE WAS
8 A LOT OF RESISTANCE TO THIS FROM THE PERSPECTIVE
9 THAT IN THOSE DAYS AND STILL TODAY WHETHER THEY ARE
10 SMALL MOLECULES, WHETHER THEY ARE ANTIBODIES, MANY
11 OTHER THINGS, THESE EFFECTS ARE PARTICULARLY
12 CYTOTOXIC, OBVIOUSLY INTENDED TO KILL CANCER CELLS.
13 THESE TREATMENTS ARE TERRIBLE IN MANY CASES. AND,
14 THUS, THERE WAS A FEAR THAT CAN COMMUNITY CANCER
15 CENTERS REALLY HANDLE THIS. NETWORK WAS ESTABLISHED
16 SOME 15 YEARS AGO, PARTNERED THOSE CENTERS WITH
17 COMPREHENSIVE CANCER CENTERS, AND I WOULD SAY THAT
18 THEY TRANSFORMED HOW WE TAKE CARE OF CANCER PATIENTS
19 TODAY.

20 SO I THINK IN MANY WAYS, WHILE I FEAR SOME
21 CONCERNS THAT JEFF BRINGS UP, I THINK SOMETHING LIKE
22 THIS WOULD, DOWN THE ROAD, BE PROBABLY JUST TOTALLY
23 TRANSFORMATIVE AS IT COMES TO CARE IN THE FIELD OF
24 REGENERATIVE MEDICINE.

25 CHAIRMAN THOMAS: THANK YOU, KRISTINA.

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1 ANY OTHER COMMENTS? WE NEED TO HEAR FROM BOB AND
2 THEN TO MOVE ON.

3 DR. BURTIS: JUST REALLY BRIEFLY I'D LIKE
4 TO PUT MYSELF ON THE RECORD. KEN BURTIS. SORRY.
5 PUT MYSELF THE RECORD AS CONCURRING WITH EVERYTHING
6 KRISTINA JUST SAID.

7 CHAIRMAN THOMAS: THANK YOU.

8 MR. TORRES: I ALSO CONCUR WITH KRISTINA
9 BECAUSE IN THE LATE 1980S, AS CHAIRMAN OF THE SENATE
10 TOXICS COMMITTEE, I HELD HEARINGS IN BARLA AND
11 FOWLER. CANCER CLUSTERS WERE OCCURRING IN RURAL
12 CALIFORNIA AND NO ONE WAS PAYING ATTENTION. AND I
13 THINK WHAT KRISTINA REFERENCES WITH THE CANCER
14 INSTITUTE WAS THE FIRST TIME PEOPLE TOOK AWARENESS
15 OF AN UNMET NEED IN THE CENTRAL VALLEY, ESPECIALLY
16 IN THOSE COMMUNITIES WHERE WE FOUND OUT THAT THIS
17 WAS A REAL PROBLEM.

18 DR. DULIEGE: NO ONE DISAGREES THAT THERE
19 IS AN INEQUITY OF ACCESS TO CARE IN CALIFORNIA, IN
20 THE U.S. IN GENERAL, AND MANY OTHER COUNTRIES. BUT
21 WE STILL HAVEN'T HEARD FROM ROBERT KLEIN A VERY
22 BRIEF DISCUSSION OF WHAT THE INTENT OF THE COMMUNITY
23 CARE CENTERS OF EXCELLENCE.

24 CHAIRMAN THOMAS: OKAY. AND THEN, LAST,
25 OS, YOU HAD A COMMENT, AND THEN WE GO TO BOB. WE

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1 NEED TO MOVE ON.

2 DR. STEWARD: VERY QUICKLY. IN ADDITION
3 TO THE COMMUNITIES CARE, THE OTHER ASPECT OF THIS IS
4 TO BE PUTTING IN PLACE A MECHANISM TO MAKE AVAILABLE
5 CLINICAL TRIALS TO PEOPLE THROUGHOUT CALIFORNIA,
6 JUST TO SAY. THE WHOLE THING ABOUT A CLINICAL TRIAL
7 IS DELIVERY. THE SECOND IS ASSESSMENT. WE HAVE TO
8 UNDERSTAND WHAT'S GOING ON. YOU CAN'T ASK PEOPLE
9 FROM CENTRAL CALIFORNIA TO TRAVEL EVERY WEEK TO BE
10 EXAMINED. AND I THINK THIS KIND OF SETUP WOULD
11 REALLY PROMOTE THE ANALYSIS OF DATA AND GATHERING OF
12 DATA FROM CLINICAL TRIALS. THANK YOU.

13 CHAIRMAN THOMAS: GOING TO TURN TO BOB.
14 PLEASE BE BRIEF BECAUSE WE HAVE TO MOVE ON.

15 MR. KLEIN: WELL, I WILL TRY, BUT A LOT OF
16 VERY GOOD IMPORTANT QUESTIONS HERE. LET ME TRY AND
17 FOCUS ON THEM. FIRST OF ALL, I HAVE FAITH IN THIS
18 LARGE BOARD BECAUSE IT HAS GREAT SCIENTISTS WITH
19 TREMENDOUS EXPERIENCE AND DISCIPLINED, LIFELONG
20 DISCIPLINE. THERE IS NOTHING IN HERE THAT SAYS WHEN
21 THIS HAS TO BE IMPLEMENTED, HOW MANY CENTERS, HOW
22 MUCH MONEY. THE DISCRETION IS ALL WITH THE BOARD.
23 BUT WHAT YOU HAVE TO DO IS YOU HAVE TO TELL THE
24 VOTERS WHAT THE POTENTIAL IS HERE. AND I THINK IT'S
25 A VERY IMPORTANT CONCEPT AS TO WHAT DR. STEWARD JUST

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1 SAID, WHAT KRISTINA JUST SAID, WHAT DR. BURTIS JUST
2 SAID, THAT BASED ON EMPIRICAL INFORMATION, BASED ON
3 CAPACITY, BASED ON TRAINING, AND EVERYTHING THAT IS
4 DONE BY THIS BOARD HAS EXTREMELY HIGH STANDARDS,
5 THEY, AT THE RIGHT TIME, WILL MAKE A DECISION OF
6 WHEN THIS CAN HAPPEN.

7 BUT LET ME TIE THIS TOGETHER. ONE,
8 LISTENING AND WATCHING THE REPORTS OF THE BOARD IN
9 PRIOR SESSION, THERE HAVE BEEN PEER REVIEW REPORTS
10 TO THE BOARD THAT RECOMMEND MORE ALPHA CLINICS FOR
11 FUNDING THAN YOU HAD MONEY TO FUND. YOU DIDN'T FUND
12 THEM ALL BECAUSE YOU DIDN'T HAVE THE MONEY. SO ON
13 EMPIRICAL DATA AND SUBJECT TO YOU DOING A NEW RFA
14 AND SUBJECT TO YOU DECIDING THE TIME IS RIGHT, THE
15 BOARD -- IT IS LOGICAL THAT THE BOARD WOULD CONSIDER
16 OTHER ALPHA CLINICS. CEDAR SINAI WAS RECOMMENDED
17 FOR FUNDING. THEY DIDN'T HAVE THE FUNDING. BUT IT
18 WAS RECOMMENDED BY PEER REVIEW ON EMPIRICAL DATA ON
19 EXTENSIVE COMPETITIVE APPLICATIONS.

20 IT'S IMPORTANT TO ANSWER DR. DULIEGE'S
21 POINT. SO A CONCEPT POINT LOGICALLY TO ME IN
22 DEALING WITH THIS INEQUITY, AND FROM A PATIENT
23 ADVOCATE PERSPECTIVE, THIS INEQUITY IS PRETTY
24 SERIOUS, YOU CAN'T GET ALL THESE PATIENTS TO TRAVEL
25 FROM THE INLAND EMPIRE TO UCLA. IF YOU LOOK

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1 LOGICALLY, THE BOARD MIGHT IN THEIR DISCRETION
2 DECIDE THAT THE UNIVERSITY OF CALIFORNIA RIVERSIDE,
3 WHO NOW HAS A MEDICAL SCHOOL AND HAS STEM CELL
4 RESEARCH GOING ON, I'VE PARTICIPATED IN THE
5 DISCUSSION THAT THEORETICALLY IF THERE WERE AN RFA,
6 THEY COULD TEAM WITH UCLA AND UCLA -- AN INDIVIDUAL
7 AT UCLA HAS SUGGESTED THAT THE STAFFING FROM UC
8 RIVERSIDE FOR SPECIFIC LIMITED TRIALS COULD ROTATE
9 THROUGH UCLA, BE TRAINED IN THEIR ALPHA CLINIC, COME
10 BACK TO UC RIVERSIDE, AND BE ABLE TO PROVIDE A VERY
11 HIGH QUALITY OF HUMAN TRIALS. NOT AT THE SCALE OF
12 UCLA, NOT AT THE SCALE OF AN ALPHA CLINIC, BUT ON AN
13 EXTREMELY HIGH QUALITY BASIS.

14 THE BOARD WILL MAKE THE DECISION WHETHER
15 THAT WORKS OR NOT, BUT THE INLAND EMPIRE WITH THE
16 SAME POPULATION AS 25 STATES IN THE UNITED STATES IS
17 AN IMPORTANT PART OF OUR ELECTORATE THAT NEEDS TO
18 KNOW WE'RE GOING TO LOOK AT SERVING THEM. WE ARE
19 NOT GOING TO SERVE THEM WHEN IT'S TOO EARLY. BUT
20 WHEN WE CAN PUT QUALITY OUT THERE SO THEY CAN GET
21 ACCESS TO THE TRIALS, THERE'S A CERTAIN SENSE OF
22 EQUITY AND FAIRNESS THAT THEY HAVE ACCESS.

23 ANOTHER LOGICAL PLACE WOULD BE THE FRESNO
24 CLOVIS SATELLITE CAMPUS OF UC SAN FRANCISCO. THOSE
25 INDIVIDUALS COULD ROTATE THROUGH UC SAN FRANCISCO,

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1 BE TRAINED THERE, GO BACK IN, AND ON A LIMITED
2 BASIS, WHEN THEY HAVE THE REAL EXPERTISE, THE TOP
3 QUALITY TO CONDUCT A HUMAN TRIAL, WE COULD GET THE
4 BENEFIT OF DIVERSITY. CERTAINLY OUR HUMAN TRIALS
5 NEED TO HAVE APPLICABILITY TO A DIVERSE POPULATION
6 BASE. IN THE DISCRETION, IN THE JUDGMENT OF THE
7 BOARD, WHEN IT'S APPROPRIATE, WHEN THEY FEEL ALL THE
8 SAFEGUARDS ARE THERE, WHEN ALL OF THE ACCOUNTABILITY
9 FOR STANDARDS AND ETHICS AND EVERYTHING ARE PROVED,
10 IT IS ONLY SAYING TO THE BOARD HERE'S AN
11 OPPORTUNITY, IF YOU KNOW THAT IT'S APPROPRIATE,
12 PROCEED WHEN YOU THINK IT'S APPROPRIATE, WHEN WE CAN
13 DO THE BEST, WHEN WE CAN DO THE MOST GOOD FOR THE
14 REASON THAT DR. TORRES, DR. STEWARD, AND DR. BURTIS
15 REFERRED TO.

16 CHAIRMAN THOMAS: THANK YOU, BOB. WE
17 REALLY HAVE TO MOVE ON HERE.

18 MR. SHEEHY: I JUST -- THIS IS REALLY A
19 POINT OF CLARIFICATION. SO IN THE MEASURE IT SAYS
20 UP TO ONE AND A HALF PERCENT OF THE PROCEEDS OF THE
21 BOND SHALL BE ALLOCATED FOR COMMUNITY CENTERS OF
22 EXCELLENCE, AND I'LL GO AHEAD AN ADD THIS ONE
23 BECAUSE I THINK THIS WILL COME UP LATER, AND UP TO
24 ONE-HALF OF 1 PERCENT, .5 PERCENT, SHALL BE
25 ALLOCATED FOR SHARED LABS. SO WHAT DOES THAT REALLY

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1 MEAN? IS THAT -- BECAUSE I DON'T UNDERSTAND. IS
2 THAT A MANDATE TO SPEND? I'M JUST TRYING TO GET A
3 SENSE OF WHAT FLEXIBILITY THE UPCOMING BOARD WOULD
4 HAVE IN DETERMINING WHETHER OR NOT TO DO THESE
5 PROGRAMS AND HOW MUCH MONEY THEY HAVE TO SPEND.

6 MR. KLEIN: NOTICE, THERE'S NO TIMING
7 IN -- THERE'S NO DESCRIPTION OF TIMING IN TERMS OF
8 THE MANDATE WHEN YOU SPEND EXCEPT THERE IS TIMING IN
9 TERMS OF WHAT THE BONDS CAN BE SOLD IN ORDER TO
10 SPREAD THE BOND COST FOR CALIFORNIA THROUGH A
11 CERTAIN MACRO STRATEGIC FINANCIAL REASONS FOR
12 PLANNING OF BOND CAPACITY IN THE STATE OF
13 CALIFORNIA. BUT IN TERMS OF PROGRAMS, THERE'S NO
14 TIMING DIRECTION SO THAT THAT CAN BE DONE AT THE
15 RIGHT TIME.

16 BUT THE ONE AND A HALF PERCENT IS WHEN
17 THERE'S A DECISION, BASED ON WHATEVER CRITERIA THE
18 BOARD COMES UP WITH, TO IMPLEMENT COMMUNITY CARE
19 CENTERS OF EXCELLENCE, THERE ARE FUNDS THERE THAT
20 ARE AVAILABLE TO DO IT. WE DON'T HAVE 10 PERCENT OF
21 THE FUNDS SET ASIDE FOR FACILITIES THIS TIME.
22 THERE'S A LOT MORE MONEY IN TERMS OF PERCENTAGES FOR
23 PROGRAMS, THAT THERE IS ONE AND A HALF PERCENT AS A
24 RESOURCE AVAILABLE FOR THE BOARD, THEN, FOR
25 COMMUNITY CARE CENTERS OF EXCELLENCE.

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1 ARE WE GOING TO TALK ABOUT SHARED LABS NOW
2 OR LATER?

3 CHAIRMAN THOMAS: WE ARE LATER.

4 MR. SHEEHY: I DO HAVE A QUESTION BECAUSE
5 IT DOES SAY IN THE MEASURE THAT BOTH OF THESE ARE
6 INTENDED TO BE OPERATIONAL IN THE FIRST FIVE YEARS
7 FOLLOWING THE EFFECTIVE DATE OF THE INITIATIVE.

8 MR. KLEIN: IF -- THAT IS A CORRECT
9 STATEMENT. OF ALL THE TEXT IN THERE, I WASN'T
10 FOCUSING ON THAT. IF THE BOARD FEELS THAT FIVE
11 YEARS IS TOO SHORT A TIME PERIOD TO MAKE A DECISION
12 ABOUT THIS, I'M OPEN TO INPUT. IF IT'S TEN YEARS --
13 OR I HAVE NO DATE. I WAS ACTUALLY THINKING THAT
14 THERE WASN'T ANY DATE CONNECTED TO THAT. BUT IF THE
15 BOARD FEELS THERE SHOULDN'T BE ANY DATE AT ALL, THEN
16 THE BOARD SHOULD TELL ME THAT.

17 CHAIRMAN THOMAS: LAST COMMENT. MY
18 RESPONSE TO THAT, BOB, WOULD BE YOU WANT TO GIVE
19 MAXIMUM DISCRETION TO THE BOARD. SO I WOULD NOT
20 SPECIFY ANY DATE. THAT'S MY PERSONAL OPINION.

21 LAST COMMENT, ANNE-MARIE.

22 DR. DULIEGE: I UNDERSTAND EXACTLY WHAT
23 YOU SAID, BOB. AND OTHERS MENTIONED REALLY CLINICAL
24 TRIAL ACCESS, NOT CARE, IF I UNDERSTAND YOU
25 CORRECTLY. IF YOU LEAVE THIS IN THIS MEASURE OR

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1 THIS PROPOSAL, COMMUNITY RESEARCH CENTER OF
2 EXCELLENCE, CLINICAL RESEARCH, AND NOT ACCESS TO
3 CARE WHICH IS VERY CONFUSING.

4 MR. KLEIN: AND THE THEORY, DR. DULIEGE,
5 IS THAT IF IT WERE A TRIAL SITE FOR FIVE YEARS, THAT
6 IT WOULD DEVELOP EXPERTISE. AND WHEN THERE WERE FDA
7 APPROVALS FOR THAT TRIAL, THEN THAT WOULD BE A
8 LOGICAL FOLLOW-ON ACCESS SITE THAT WOULDN'T BE ON
9 THE COAST. BUT THAT'S WHY I DESCRIBED IT AS I DID.
10 THERE WAS NO INTENT, OBVIOUSLY, TO HAVE IT BE FOR
11 CARE UNTIL YOU'RE ALL THE WAY THROUGH THE TRIALS,
12 BUT TRYING TO DEVELOP THE EXPERTISE THAT'S NOT ON
13 THE COAST, REACH THESE MAJOR GROUPS OF PATIENTS THAT
14 OTHERWISE DON'T HAVE THE FUNCTIONAL ACCESS.

15 CHAIRMAN THOMAS: I WOULD JUST LIKE TO ADD
16 THAT I THINK MR. SHEEHY'S POINT ABOUT COMPASSIONATE
17 CARE ACCESS IS SOMETHING YOU SHOULD TRY TO CONSIDER
18 IF THERE'S A WAY TO FACTOR THAT IN.

19 MR. KLEIN: WELL, THE BOARD CAN DO THAT.

20 CHAIRMAN THOMAS: THAT'S SOMETHING THAT I
21 THINK IS VERY IMPORTANT. OKAY.

22 ON TO THE NEXT ITEM. TRY TO BE A LITTLE
23 BRIEF ON THIS. THE PROBLEM IS WE CAN SPEND ALL DAY
24 ON ALL THESE THINGS.

25 SO, NO. 4, ESTABLISHES TRAINING AND

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1 FELLOWSHIP, THE GOAL OF WHICH IS TO ENSURE THAT
2 CALIFORNIA HAS THE WORKFORCE NECESSARY TO MOVE NEW
3 DISCOVERIES FROM THE RESEARCH STAGE TO THE CLINIC,
4 ACCELERATE THE AVAILABILITY OF TREATMENTS AND CURES,
5 AND TO MAKE TREATMENTS AND CURES ARISING FROM
6 CIRM-FUNDED RESEARCH AVAILABLE TO CALIFORNIA
7 PATIENTS, INCLUDING PREPARING CALIFORNIA
8 UNDERGRADUATES AND MASTER'S STUDENTS FOR TECHNICAL
9 CAREERS IN STEM CELL AND RELATED RESEARCH. COMMENTS
10 ON THIS PROVISION?

11 DR. SANDMEYER: THIS IS SUZANNE. I HAVE A
12 COMMENT. THIS YEAR THERE WAS A FINAL REPORT OF THE
13 CALIFORNIA FUTURE HEALTH WORKFORCE COMMISSION. AND
14 THEY EMPHASIZED IN A NUMBER OF THEIR TEN PRIMARY
15 AREAS THAT THE WORKFORCE NEEDED TO TALK ABOUT
16 DIVERSITY TO ADDRESS UNDER-REPRESENTED POPULATIONS
17 AS WELL AS AREAS. SO IF WE COULD CONSIDER SOME KIND
18 OF LANGUAGE ABOUT DIVERSITY IN SECTION 5, THAT MIGHT
19 COINCIDE BETTER WITH THOSE RECOMMENDATIONS.

20 CHAIRMAN THOMAS: THANK YOU, SUZANNE.
21 OTHER COMMENTS? JEFF.

22 MR. SHEEHY: I PERSONALLY DON'T FIND
23 ANYTHING OBJECTIONABLE WITH THE IDEA, BUT SOME
24 ABILITY SOMEBODY ALREADY HAS. AND IT JUST -- I
25 THINK IT GOES TO ONE OF THE POINTS MADE EARLIER

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1 ABOUT BEING PRESCRIPTIVE. I FEEL FAIRLY CERTAIN
2 THIS PROGRAMMING WOULD BE PART OF ANY STRATEGIC PLAN
3 THAT CIRM DEVELOPED AND WOULD BE PART OF THE
4 PROGRAMMING THAT CIRM DOES. AND I DO BELIEVE THE
5 POINT ON DIVERSITY, I THINK -- BUT, AGAIN, THAT
6 COMES UP IN ANOTHER COMPONENT IN THE MEASURE. I
7 KNOW THAT WHEN WE HAVE IMPLEMENTED PROGRAMS, THAT WE
8 HAVE INCREASINGLY FOCUSED ON DIVERSITY AS WE HAVE
9 DONE THEM. SO THAT HAS BECOME, I KNOW, IN THE LAST
10 ROUNDS OF THE PROGRAMS WE'VE DONE, DIVERSITY WAS A
11 SPECIFIC CRITERIA WITHIN THE REVIEW PROCESS.

12 CHAIRMAN THOMAS: ANY OTHER COMMENTS FROM
13 MEMBERS ON THE PHONE? BOB, VERY BRIEFLY, DO YOU
14 WANT TO RESPOND?

15 MR. KLEIN: YES. SO I THINK THIS GOES
16 BACK TO THE BASIC COMMENT THAT WAS MADE. YOU GOT TO
17 TELL THE PUBLIC, GIVE THEM SOME IDEA OF WHAT'S GOING
18 TO HAPPEN. WHEN I WAS CHAIRMAN, I HAD THE PRIVILEGE
19 OF WORKING ON IMPLEMENTING THE BRIDGES PROGRAM THAT
20 PROVIDES SOME SIGNIFICANT DIVERSITY AND A PATHWAY
21 BOTH TO THE WORKFORCE AS WELL AS THE MASTER AND
22 DOCTORAL DEGREES. IT'S BEEN TREMENDOUS SUCCESS. I
23 THANK THE BOARD VERY MUCH FOR CONTINUING TO SUPPORT
24 THAT PROGRAM. I THINK WE SHOULD WRITE IN THIS NO. 5
25 THAT DIRECT ATTENTION SHOULD BE PAID TO DIVERSITY,

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1 WHICH I THINK THE BRIDGES PROGRAM IS ACCOMPLISHING
2 AND IS STELLAR, BUT WE NEED TO COMMUNICATE TO THE
3 VOTERS. THEY NEED TO KNOW THAT THAT IS ONE OF OUR
4 GOALS.

5 THE OTHER POINT IS IN TERMS OF THESE OTHER
6 TRAINING PROGRAMS, THEY HAVE HAD TREMENDOUS REVIEWS
7 IN TERMS OF THE POST-DOCS AND GRAD STUDENTS THAT
8 HAVE BEEN BROUGHT IN, THE MEDICAL SCHOOL STUDENTS
9 THAT WENT THROUGH THE RESIDENT PROGRAM AND GOT
10 EXPOSURE ARE NOW SOME OF THE PEOPLE THAT ARE IN THE
11 HUMAN TRIAL PROGRAM. THESE PROGRAMS WERE HIGHLY
12 SUCCESSFUL, AND THE VOTERS NEED TO KNOW YOU'VE GOT
13 HIGHLY SUCCESSFUL PROGRAMS. NOW THAT YOU'RE NOT
14 CONSTRAINED ON FUNDS, ARE YOU GOING TO IMPLEMENT
15 THOSE PROGRAMS AGAIN. SO IT'S A FUNDAMENTAL
16 OBLIGATION TO GIVE THE VOTERS A FRAMEWORK OF WHERE
17 THIS MONEY IS GOING, AND THESE ARE PROGRAMS THE
18 BOARD HAS APPROVED, HAS A RECORD OF ACCOMPLISHMENT
19 THAT IS REMARKABLE, AND ARE BEING COPIED AROUND THE
20 UNITED STATES BECAUSE OF THEIR PRODUCTIVITY.

21 MR. TORRES: ONE OF THEM IS SITTING RIGHT
22 HERE OUT OF THE BRIDGES PROGRAM, JIMMY.

23 CHAIRMAN THOMAS: THANK YOU, BOB.
24 COMMENTS BY OTHER MEMBERS OF THE BOARD? OKAY.
25 HEARING NONE, ON TO THE NEXT BULLET POINT, WHICH IS

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1 RE-ESTABLISHES THE SHARED RESEARCH LABS PROGRAM TO
2 FUND SPECIALIZED INSTRUMENTATION, A SUPPLY OF CELL
3 LINES, CULTURE MATERIALS, AND INSTRUCTION AND
4 TRAINING IN RESEARCH METHODS AND TECHNIQUES AT OTHER
5 UNIVERSITIES AND NONPROFIT RESEARCH INSTITUTIONS IN
6 CALIFORNIA. COMMENTS ON THIS PROVISION. JEFF.

7 MR. SHEEHY: I JUST -- I THINK IT'S
8 PROBLEMATIC IN THAT THE BOARD AND THE CIRM TEAM
9 DECIDED TO PHASE OUT THIS PROGRAM AND NOT MOVE IT
10 FORWARD. SO IT'S HARD TO UNDERSTAND WHY THIS IS
11 BEING PUT INTO THE AGENCY'S STRATEGIC PLAN BY BALLOT
12 MEASURE WHEN THE AGENCY, BASED ON EVIDENCE,
13 DISCONTINUED THIS PROGRAM.

14 CHAIRMAN THOMAS: THANK YOU, JEFF. OTHER
15 COMMENTS BEFORE, AGAIN, WE TURN TO BOB? WANT TO GET
16 EVERY COMMENT THE TABLE. OTHER COMMENTS ON THIS
17 PARTICULAR PROVISION? HEARING NONE, BOB.

18 MR. KLEIN: THIS PROGRAM BASED BOTH ON
19 HEARING FROM INSTITUTIONS CROSS THE STATE AND MY
20 EXPERIENCE AS CHAIRMAN, THERE IS A FUNDAMENTAL
21 PROBLEM IN THE YOUNG SCIENTISTS HAVING ACCESS TO
22 STATE-OF-THE-ART EQUIPMENT TO GET THEIR INITIAL DATA
23 TO EVEN BE COMPETITIVE. I'VE TALKED TO A HUGE
24 NUMBER OF YOUNG SCIENTISTS AROUND THE STATE THAT GOT
25 INTO THE FIELD BECAUSE THEY COULD GET DATA AND THEN

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1 COMPETE FOR SOME OF OUR START-UP GRANTS. WITHOUT
2 THAT DATA, WE PUT THEM INTO POSITION WHERE THEY HAVE
3 TO BORROW AND BEG FROM THEIR LAB OR ANOTHER LAB,
4 WHICH DOESN'T NECESSARILY HAVE THE EQUIPMENT THAT
5 THEY NEED FOR WHAT THEY'RE TRYING TO MOVE FORWARD
6 WITH THE HYPOTHESES.

7 SO OUT IN THE FIELD THE INFORMATION ACROSS
8 THE STATE IS THE FIELD IS MOVING VERY QUICKLY, THE
9 EQUIPMENT WE HAVE IN THE OLD SHARED LABS IS OUT OF
10 DATE IN MOST INSTITUTIONS, NOT ALL OF THEM. WE
11 REALLY NEED TO HELP UPDATE, PARTICULARLY IN
12 INSTITUTIONS THAT DON'T HAVE THE SAME FINANCIAL
13 CAPACITY AS OTHERS, AND THAT THIS IS A HUGE
14 EMPOWERMENT TO THE YOUNG SCIENTISTS. MEMBERS OF
15 LEADERSHIP OF VARIOUS INSTITUTIONS HAVE SAID THIS
16 HAS BEEN A RECRUITMENT TOOL TO BRING IN THE BEST AND
17 BRIGHTEST FROM OUT OF STATE BECAUSE THEY KNEW THEY
18 HAD ACCESS TO THIS STATE-OF-THE-ART EQUIPMENT TO BE
19 ABLE TO GET DATA TO EFFECTIVELY COMPETE ON EMPIRICAL
20 DATA THAT WAS SOLID AND REFLECTED BY THE BEST
21 EQUIPMENT AVAILABLE.

22 CHAIRMAN THOMAS: JEFF.

23 MR. SHEEHY: I GUESS I WOULD PREFER FOR
24 THE DECISIONS LIKE THIS TO BE MADE BY THE AGENCY
25 BASED ON EVIDENCE COLLECTED BY THE AGENCY. I DO

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1 NOTE THAT WE DO ALREADY SUBSIDIZE THROUGH INDIRECT
2 RATES FACILITIES AT INSTITUTIONS THAT RECEIVE OUR
3 FUNDING. I DO NOTE THAT WE SPENT 10 PERCENT OF THE
4 FIRST BOND BUILDING FACILITIES AT A NUMBER OF
5 INSTITUTIONS UP AND DOWN THE STATE. I REALLY HAVE A
6 PROBLEM IN HAVING THIS SPECIFICALLY IDENTIFIED AS A
7 PROGRAM THAT SHOULDN'T BE IN THE BALLOT MEASURE
8 GOING FORWARD BECAUSE IT WAS SOMETHING THAT THE
9 AGENCY SPECIFICALLY LOOKED AT THE EVIDENCE BASE, NOT
10 BASED ON ANY PREJUDICE, AND DECIDED NOT TO CONTINUE.
11 CERTAINLY I SEE NOTHING WRONG WITH THE AGENCY
12 REEXAMINING THIS PROGRAM AND MAKING A DECISION,
13 AGAIN BASED ON EVIDENCE, SCIENTIFIC ACUMEN ON THE
14 WISDOM OF OUR REVIEWERS IN DECIDING WHETHER OR NOT
15 TO PROCEED WITH THIS AGAIN. BUT IT SEEMS VERY
16 UNUSUAL FOR ME TO SEE A PROGRAM REESTABLISHED AT THE
17 AGENCY THAT THE AGENCY HAD DECIDED NOT TO CONTINUE
18 AND THAT UNDERMINES THE PERCEIVED EXPERTISE OF THE
19 BOARD OR THE STATED EXPERTISE OF THE BOARD AND THE
20 STATED EXPERTISE OF THE AGENCY.

21 AND I KNOW WE HAVE FUNDED INSTITUTIONS,
22 AGAIN, I REPEAT, WE HAVE GIVEN A LOT OF MONEY TO
23 INSTITUTIONS. I WAS NOT AWARE THAT THE
24 INSTITUTIONS, AND MAYBE SOME OF THE MEMBERS OF THOSE
25 INSTITUTIONS WHO ARE ON OUR BOARD CAN SPEAK TO

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1 WHETHER OR NOT THEIR FACILITIES ARE IN THE STATE OF
2 DECAY AND WHETHER THEY NEED MORE MONEY IN ORDER TO
3 KEEP THOSE FACILITIES UP TO PAR BEYOND THE INDIRECTS
4 THAT WE ALREADY PROVIDE FOR FACILITIES ON EVERY
5 GRANT THAT THEY GET FROM OUR AGENCY. BUT THEY KNOW
6 MORE -- I MEAN SINCE WE HAVE -- WE CAN HEAR
7 REAL-TIME FROM MEMBERS OF THESE INSTITUTIONS WHETHER
8 OR NOT THEIR FACILITIES ARE IN A STATE OF
9 PRECIPITOUS DECAY THAT NEEDS US TO INCLUDE THIS
10 PARTICULAR ELEMENT IN THE BOND MEASURE.

11 CHAIRMAN THOMAS: COMMENTS?

12 DR. BURTIS: I'LL COMMENT. THIS IS KEN
13 BURTIS. WE ARE NOT IN A STATE OF PRECIPITOUS DECAY;
14 HOWEVER, WE ARE NOT A PARTICULARLY IMPOVERISHED
15 INSTITUTION. BUT IT IS A CONSTANT CHALLENGE TO
16 MAINTAIN CURRENCY IN THE EVER RAPIDLY CHANGING WORLD
17 OF TECHNOLOGY. ONE CAN ONLY IMAGINE AT LESS
18 FORTUNATE INSTITUTIONS WHERE RESEARCH MIGHT BE DONE,
19 THAT'S A MORE SIGNIFICANT, EVEN MORE SIGNIFICANT
20 ISSUE. INDIRECT COSTS ARE OFTEN SPENT BEFORE THE
21 GRANT EVER GETS TO THE UNIVERSITY. SO THE IDEA THAT
22 INDIRECT COSTS ARE DISCRETIONARY AND ALWAYS
23 AVAILABLE TO USE FOR THESE SORTS OF PURPOSES IS NOT
24 THE CASE. I'LL LEAVE IT AT THAT AND LET OTHER
25 COLLEAGUES SPEAK TO THAT ISSUE.

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1 DR. VUORI: ECHOING WHAT WAS JUST SAID,
2 JUST MAKE SORT OF AN ACCOUNTING COMMENT, THAT
3 INDIRECT DOLLARS CANNOT BE USED TO PURCHASE
4 EQUIPMENT. YOU HAVE TO -- ANY ORGANIZATION, ANY
5 UNIVERSITY HAS TO FIND MONIES UP FRONT TO PAY FOR
6 EQUIPMENT. AND CERTAINLY FROM AN ACCOUNTING
7 PERSPECTIVE, THEN DEPRECIATION ON THE EQUIPMENT AS
8 PART OF THE INDIRECT COST RECOVERY, BUT UP FRONT ONE
9 HAS TO HAVE THE MONEY TO INVEST INTO NEW
10 TECHNOLOGIES. AND, AGAIN, WE ARE REASONABLY
11 FORTUNATE TO HAVE RESOURCES, BUT OBVIOUSLY IN OUR
12 INSTITUTE OBVIOUSLY THEY ARE NOT UNLIMITED. SO ANY
13 HELP IN THAT REGARD IS ALWAYS WELCOME.

14 DR. MARTIN: THIS IS DAVE MARTIN. THE
15 CONCEPT OF CORE FACILITIES WITH EQUIPMENT WAS KEY IN
16 THE EARLY DAYS OF RECOMBINANT TECHNOLOGY. AND I
17 THINK THAT IS STILL VALID, PARTICULARLY IN
18 REGENERATIVE MEDICINE TECHNOLOGY, BUT IT'S A CORE
19 FACILITY THAT IS THEN SHARED BY THE INVESTIGATORS
20 EITHER WITHIN THE INSTITUTION OR EVEN FROM OTHER
21 INSTITUTIONS, AND MAINTAINING THE CURRENCY OF
22 TECHNOLOGY IN A CORE FACILITY IS IMPORTANT WHATEVER
23 THEIR SOURCE OF FUNDING.

24 CHAIRMAN THOMAS: OTHER COMMENTS BY
25 MEMBERS OF THE BOARD? BOB, DO YOU HAVE A --

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1 MR. KLEIN: THE BOARD MADE A LOT OF
2 DECISIONS BASED ON COSTS AND FUNDING CONSTRAINTS
3 BECAUSE THEY WERE RUNNING OUT OF MONEY. WHAT'S
4 IMPORTANT HERE TO REALIZE IS THAT AT THESE
5 INSTITUTIONS, THE YOUNG INVESTIGATORS DON'T HAVE THE
6 PRESTIGE AND THE INFLUENCE THAT SENIOR INVESTIGATORS
7 WITH MAJOR LABS HAVE. AND SO WHEN THERE'S A
8 COMPETITION FOR FUNDS, GETTING STATE-OF-THE-ART
9 EQUIPMENT IN LABS THAT YOUNG INVESTIGATORS COULD USE
10 TO GET THIS CRITICAL EARLY DATA, THEY DON'T HAVE THE
11 BARGAINING POWER TO FIGHT FOR THOSE DOLLARS.

12 AND I WOULD JUST SAY THAT IT'S ALWAYS
13 IMPORTANT TO GO OUT AND TALK WITH LARGE AMOUNTS OF
14 PEOPLE TO SEE WHAT'S REALLY HAPPENING IN THE FIELD.

15 I WAS PERSUADED ACROSS THE NUMBER OF
16 INSTITUTIONS THAT THIS WAS VALID AND IMPORTANT AND A
17 CONTRIBUTION, AND IT'S A VERY SMALL ALLOCATION.

18 CHAIRMAN THOMAS: FURTHER COMMENTS ON THIS
19 SUBJECT? AGAIN, I DO WANT TO MAKE SURE THAT WE DO
20 NOT OVERLY PRESCRIBE WHAT NEEDS TO BE DONE AND GIVE
21 FULL DISCRETION TO MEMBERS OF THE BOARD. I THINK
22 THAT GOING FORWARD I THINK YOU DO WANT TO HAVE A
23 SITUATION WHERE THERE'S AN OPPORTUNITY TO EVALUATE
24 ANY PARTICULAR PROGRAM AT THAT POINT IN TIME TO SORT
25 OF THE STATE OF PLAY APPLIES TO THIS PARTICULAR

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1 PROVISION AS WELL AS MANY OF THE OTHERS WE ARE
2 TALKING ABOUT HERE.

3 SO NO MORE DISCUSSION ON THAT.

4 NEXT POINT, ESTABLISHES THE TREATMENTS AND
5 CURES ACCESSIBILITY AND AFFORDABILITY WORKING GROUP.
6 THE WORKING GROUP IS TASKED WITH RECOMMENDING
7 POLICIES TO THE GOVERNING BOARD INTENDED TO INCREASE
8 ACCESS TO HUMAN CLINICAL TRIALS AND THE AVAILABILITY
9 AND AFFORDABILITY OF TREATMENTS AND CURES ARISING
10 FROM CIRM-FUNDED RESEARCH.

11 MR. TORRES: FOR ME THIS IS THE MOST
12 IMPORTANT PROVISION OF THIS INITIATIVE. I THINK
13 WERE IT TO COME TO CALIFORNIA, BROUGHT THEM HERE TO
14 MEET WITH THIRD-PARTY PAYERS TO TALK ABOUT HOW WE
15 PREPARE FOR THE FUTURE FUNDING AND REIMBURSEMENT FOR
16 THERAPIES THAT WE'RE GOING TO DEVELOP, TO BEGIN TO
17 EDUCATE THEM AS TO THE COST BENEFITS OF THESE
18 INSURERS BY GOING WITH THESE TREATMENTS WHICH MAY BE
19 EXPENSIVE AT THE OUTSET; BUT, AT THE END OF THE DAY,
20 BE TREMENDOUSLY PRODUCTIVE FOR THE STATE.

21 ACCESSIBILITY IS KEY IN TERMS OF OUTREACH, IN TERMS
22 OF REACHING PATIENTS, NOT ONLY IN THE AREA THAT
23 WE'VE DESCRIBED, INLAND EMPIRE, CENTRAL VALLEY, BUT
24 ALSO WHEN I HOLD HEARINGS UP IN HUMBOLDT, THOSE
25 AREAS THAT ARE REMOTE RURAL AREAS, WE NEED TO MAKE

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1 SURE THAT ACCESSIBILITY IS PROVIDED, THAT THE BEST
2 RATES ARE COORDINATED WITH MEDICARE, MEDICAID,
3 MEDI-CAL, AND OBVIOUSLY THIRD-PARTY PAYERS. THAT'S
4 WHY I THINK THIS IS SUCH AN IMPORTANT PROVISION FROM
5 MY PERSPECTIVE.

6 CHAIRMAN THOMAS: STEVE.

7 MR. JUELSGAARD: YES. AFTER THE LAST
8 MEETING AT WHICH WE DISCUSSED THE GENERAL TERMS OF
9 THE INITIATIVE THAT MR. KLEIN WAS PUTTING FORWARD, I
10 HAD A COUPLE OF CONVERSATIONS WITH BOB TO TALK ABOUT
11 SOME OF THE THINGS THAT CONCERN ME. THIS WAS ONE OF
12 THEM THAT WASN'T ON THE BASIS OF WHAT ART JUST
13 TALKED ABOUT, BUT I COMPLETELY AGREE WITH WHAT ART
14 JUST SAID. BUT THERE WAS A WORD THAT WAS BEING USED
15 IN THIS SECTION. THAT WORD WAS "PRICING." AND
16 PRICING IS A QUAGMIRE THESE DAYS, AND IT'S NOT WHAT
17 I THINK WE WANT TO WALK INTO.

18 PRICING IS A DANCE THAT GETS DONE BETWEEN
19 A MANUFACTURER AND A PAYER AND POTENTIALLY THESE
20 DAYS THE GOVERNMENT. AND THAT'S THE BEST PLACE
21 WHERE PRICING STAYS AS FAR AS I'M CONCERNED. AND I
22 UNDERSTAND, AFTER THOSE CONVERSATIONS WITH BOB ABOUT
23 THE WORD "PRICING" IN THIS PROVISION, THAT IT WOULD
24 BE TAKEN OUT.

25 CHAIRMAN THOMAS: OTHER COMMENTS, MEMBERS

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1 OF THE BOARD, ON THIS PROVISION? ANNE-MARIE.

2 DR. DULIEGE: WHILE I FELT THE INTENT OF
3 THIS STATEMENT AND TO SOME EXTENT TO WHAT HE JUST
4 SAID, IT SEEMS TO ME THAT AFFORDABILITY AND
5 ACCESSIBILITY IS WAY BELOW THE SCOPE OF CIRM AND THE
6 BOARD. AND ALSO CRITICAL STEP IN BETWEEN
7 (INAUDIBLE) AND ACCESSIBILITY WE SHOULD LIST HERE,
8 AND I'M NOT SURE WHAT (INAUDIBLE) OF THE CIRM AND
9 THE ICOC. WE ALL KNOW THAT AFTER -- THE (INAUDIBLE)
10 RESULTS WILL BE AVAILABLE. AND IF THEY ARE VERY
11 POSITIVE, THERE WILL BE A PHARMACEUTICAL INDUSTRY
12 MOST LIKELY WHO WILL BE RESPONSIBLE FOR THE FILING
13 AND THE DEFENSE OF THIS FILING AS WELL AS THE
14 MANUFACTURING OF THE DRUG. THIS IS REALLY WHAT WILL
15 BE CRITICAL. I'M NOT EVEN SURE THAT CIRM WILL HAVE
16 ANY SIGNIFICANT RESPONSIBILITY IN THIS.

17 SO TO TALK ABOUT AFFORDABILITY, WHICH IS
18 ESSENTIAL, WE ALL WANT IT, EVEN BEFORE WE HAVE
19 POSITION WITH (UNINTELLIGIBLE) IN THE CRITICAL
20 INTERMEDIATE SET BETWEEN THE KEY RESULT AND THE DRUG
21 AVAILABLE TO PATIENTS.

22 CHAIRMAN THOMAS: OTHER COMMENTS FROM
23 MEMBERS OF THE BOARD?

24 DR. MARTIN: THIS IS DAVE. I WOULD JUST
25 MAKE A COMMENT THAT ONE OF THE MEANS OF REDUCING,

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1 AND I'LL GIVE YOU A SPECIFIC EXAMPLE, OF REDUCING
2 COST OF MANUFACTURING, FOR EXAMPLE, OR DELIVERY IS
3 TO ADVANCE TECHNOLOGY FOR THAT PURPOSE. AND A
4 SPECIFIC EXAMPLE THAT IS RIGHT ON THE EDGE CURRENTLY
5 IS TO GENERATE FOR CAR-T CELLS, AS BOB MENTIONED,
6 ALLOGENEIC CAR-T'S THAT CAN THEN BE USED FOR ANY
7 PATIENT WITHOUT HAVING TO USE AUTOLOGOUS CELLS; THAT
8 IS, CELLS FROM EACH PATIENT THAT'S PUT BACK INTO
9 THAT PATIENT. AND SO THAT'S JUST AN EXAMPLE OF
10 FOCUSING ON TECHNOLOGY THAT COULD REDUCE THE COST OF
11 MANUFACTURING OR DELIVERY OF TREATMENTS OR CURES.
12 THAT TO ME IS MORE ACCEPTABLE CERTAINLY THAN THE
13 WORD "PRICING," WHICH IS VERY DIFFERENT. AND THAT'S
14 SOMETHING WE CAN DO AND I THINK HAVE A
15 RESPONSIBILITY TO DO IS TO PROMOTE THE TECHNOLOGY
16 THAT ENABLES THE COST OF MANUFACTURING TO BE
17 REDUCED.

18 CHAIRMAN THOMAS: OTHER COMMENTS FROM
19 MEMBERS OF THE BOARD?

20 DR. PRIETO: MR. CHAIRMAN.

21 CHAIRMAN THOMAS: YES.

22 DR. PRIETO: YEAH. I HAVE TO COME
23 DOWN -- I AGREE WITH SENATOR TORRES HERE, THAT I
24 THINK IT IS APPROPRIATE FOR THE BOARD TO OR A
25 WORKING GROUP OF THE BOARD TO ADDRESS THESE ISSUES

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1 BECAUSE I THINK THAT PRICING IS NOT IRRELEVANT TO
2 WHETHER OR NOT THE RESEARCH WE ARE FUNDING ACTUALLY
3 MEANS ANYTHING, WHETHER IT GETS INTO THE HANDS OF
4 PATIENTS WITH CHRONIC DISEASES. AND IF WE HAVE
5 PLAYED SUCH A MAJOR ROLE IN DEVELOPING THESE
6 THERAPIES, IN TRYING TO GET THEM IMPLEMENTED, THIS
7 IS A PART OF THAT. I DON'T THINK IT'S THE ONLY PART
8 OF IT, BUT I THINK THAT THE BOARD, A FUTURE BOARD,
9 CAN PLAY A ROLE THERE, AND I THINK IT'S APPROPRIATE.

10 MR. JUELSGAARD: I WANT TO RESPOND A
11 LITTLE BIT TO ANNE-MARIE'S COMMENT ABOUT
12 AFFORDABILITY. AFFORDABILITY HAS TWO ASPECTS TO IT.
13 ONE IS THE PRICE OF SOMETHING, BUT THE OTHER IS THE
14 ABILITY TO PAY, RIGHT? SOME PEOPLE CAN AFFORD TO
15 BUY A MERCEDES BENZ WHILE MOST PEOPLE CAN'T. AND SO
16 AFFORDABILITY, THEN, IN THAT SENSE RELATES TO YOUR
17 ABILITY TO PAY. AND SOMETIMES YOU CAN FIND SUPPORT
18 PROGRAMS FOR ABILITY TO PAY. A NUMBER OF
19 PHARMACEUTICAL COMPANIES, FOR EXAMPLE, IN
20 NONGOVERNMENTAL PROGRAMS RUN SIDE BY SIDE SUPPORT
21 PROGRAMS THAT LOWER THE COST OF A PRODUCT BY HELPING
22 TO PAY FOR THAT PRODUCT FOR PEOPLE ON LOWER INCOME
23 MEANS.

24 SO I THINK THOSE ARE THE KIND OF THINGS
25 THAT WE COULD POTENTIALLY LOOK AT OR A FUTURE BOARD

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1 CAN LOOK AT IN TERMS OF AFFORDABILITY. AND WHEN I
2 TALKED TO BOB ABOUT THIS, THAT'S HOW I WAS THINKING
3 ABOUT IT AND LOOKING AT IT AND THOUGHT THAT WOULD BE
4 AN APPROPRIATE THING TO CONSIDER.

5 CHAIRMAN THOMAS: JEFF.

6 MR. SHEEHY: AGAIN, I'M NOT SURE I'M CLEAR
7 ON THIS. I DO THINK, BASED ON SOME OF THE COMMENTS
8 FROM SOME OF THE INDIVIDUALS IN INDUSTRY, THAT THIS
9 IS A REALLY COMPLICATED PROBLEM. AND I'M NOT SURE
10 TO WHAT DEGREE CIRM CAN INFLUENCE IT. AND I AM A
11 LITTLE BIT WORRIED ABOUT DEDICATING 1 PERCENT OF OUR
12 ADMINISTRATIVE FUNDS TO THIS EFFORT. THE COST AND
13 PRICING ISSUES ARE BEING EXAMINED BY ACADEMICS. WE
14 HAD THE ECONOMIST REFERENCE THIS SPECIFICALLY AT OUR
15 LAST MEETING. THE WORK THAT THEY'RE DOING IS BEING
16 DONE BY INDUSTRY BECAUSE THEIR PRODUCTS NEED TO BE
17 ABLE TO BE PAID FOR IF THEY'RE GOING TO PRODUCE
18 THEM.

19 BUT MY OTHER QUESTION IS WHAT IS THE
20 RELATIONSHIP BETWEEN THIS AND OUR EXISTING
21 INTELLECTUAL PROPERTY PRICING STIPULATION THAT
22 REQUIRES PRODUCTS PRODUCED BY CIRM'S FUNDING TO BE
23 OFFERED TO GOVERNMENT AND NONPROFIT PAYERS AT THE
24 LOWEST AVAILABLE PRICE, PRESUMABLY THAT'S THE VA
25 PRICE, BUT IS THAT INADEQUATE? HAS THERE BEEN AN

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1 EXAMINATION OF THAT RULE TO SEE IF IT'S INADEQUATE?
2 HAVE WE FOUND THAT IT'S NOT ENFORCEABLE? TO ME THAT
3 IS PERHAPS OUR BIGGEST STICK NEXT TO THE REQUIREMENT
4 THAT FUNDS FROM CIRM-FUNDED RESEARCH, ROYALTIES, GO
5 INTO A FUND TO DO SOMETHING ALONG THE LINES OF WHAT
6 STEVE SAID, TO SUBSIDIZE THOSE PRODUCTS. BUT TO ME
7 THAT'S THE SINGLE BEST WAY THAT WE CAN INFLUENCE THE
8 PRICE IS BY TYING THE PRICE FOR MEDI-CAL OR
9 NONPROFIT PROVIDERS IN CALIFORNIA OR DEPARTMENTS OF
10 PUBLIC HEALTH TO THE LOWEST AVAILABLE PRICE SINCE
11 THAT IS LIKELY TO BE THE BEST PRICE THAT WE ARE ABLE
12 TO GET THE PRODUCT FOR MINUS WHAT WE CAN DO WITH
13 ROYALTIES.

14 SO, AGAIN, I'M TRYING TO UNDERSTAND HOW
15 ALL THE PIECES FIT. AND, AGAIN, THIS IS SOMEWHAT
16 PRESCRIPTIVE FOR CIRM. IS THIS SOMETHING THAT CIRM
17 COULD DO AS AN AGENCY WITHOUT HAVING TO SET ASIDE 1
18 PERCENT OF ITS ADMINISTRATIVE FUNDS FOR THIS
19 FUNCTION?

20 CHAIRMAN THOMAS: OS.

21 DR. STEWARD: JUST REAL BRIEFLY, I GUESS I
22 WOULD SAY THAT MOST OF US HAVE LEARNED FROM THE
23 15-YEAR HISTORY OF CIRM AND ALSO THE REMARKABLE
24 ACCOMPLISHMENTS OF REGENERATIVE MEDICINE IS THAT
25 REGENERATIVE MEDICINE IS TURNING OUT TO BE EXTREMELY

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1 EXPENSIVE. IT'S NOT JUST ANY OTHER DRUG. AND IT'S
2 GOING TO BE, I THINK WE RECOGNIZE, DIFFICULT TO MAKE
3 IT AFFORDABLE IN TERMS OF MANUFACTURING. THE
4 ONE-TIME TREATMENT THAT REALLY LEADS TO A CURE FOR
5 SPINAL MUSCULAR ATROPHY COSTS OVER A MILLION
6 DOLLARS. THAT'S ITS PRICE. SO THAT -- I THINK WE
7 HAVE A SPECIAL RESPONSIBILITY AS THE CALIFORNIA
8 INSTITUTE FOR REGENERATIVE MEDICINE TO REALLY FOCUS
9 ON THAT ISSUE. I THINK IT'S SOMETHING THAT IS OF
10 UTMOST IMPORTANCE TO THE VOTERS OF CALIFORNIA, THAT
11 THEY UNDERSTAND WHAT THESE COSTS ARE AS THEY GO
12 FORWARD. THANK YOU.

13 CHAIRMAN THOMAS: ANY OTHER COMMENTS FROM
14 MEMBERS OF THE BOARD?

15 DR. VUORI: J.T., THIS IS KRISTINA. I
16 FULLY AGREE WITH WHAT OS AND STEVE HAVE SAID
17 EARLIER. I THINK THE ACCESSIBILITY AND
18 AFFORDABILITY OF TREATMENTS THAT ARE POTENTIALLY ONE
19 AND DONE, IN A SYSTEM WHERE THERE ARE MULTIPLE
20 PAYERS AND INSURANCE COMPANIES IN THE MIX, I THINK
21 CIRM HAS THE OPPORTUNITY BY BECOMING REALLY A LEADER
22 IN ATTEMPTING TO SOLVE THESE ISSUES OR AT LEAST MAKE
23 RECOMMENDATIONS HOW THIS COULD WORK. AND I THINK
24 THIS, IN MY MIND, CAN FIT INTO THE MISSION OF CIRM.

25 CHAIRMAN THOMAS: OKAY. THANK YOU.

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1 HEARING NO FURTHER COMMENT, BOB.

2 MR. KLEIN: SO AS A PATIENT ADVOCATE AND
3 HAVING SPENT A GREAT DEAL OF THE LAST 20 YEARS WITH
4 PATIENTS FROM 40 OR 50 DIFFERENT DISEASES AND THEIR
5 FAMILIES, I CAN TELL YOU THAT -- FIRST OF ALL, AS A
6 FOUNDATION TO THIS, IN MY DISCUSSIONS WITH STEVE, I
7 THINK WE WORKED OUT THAT PRICING WAS ALREADY BEING
8 DEALT WITH OVER IN THE IP COMMITTEE AND WITH
9 LEGISLATION THAT'S THERE. THIS WAS REALLY INTENDED
10 TO FOCUS ON REIMBURSEMENT SOURCES, GOVERNMENT
11 INSURANCE, COVER CALIFORNIA, MEDICARE, MEDI-CAL,
12 HMO'S.

13 THROUGH MY EXPERIENCE AS A MEMBER OF THE
14 INTERNATIONAL JUVENILE DIABETES RESEARCH FOUNDATION
15 BOARD, WE HAVE A VERY EFFECTIVE MODEL THAT I'VE
16 WATCHED FOR 20 YEARS NOW. INSTEAD OF A NEW PRODUCT
17 NOT BEING AVAILABLE TO PATIENTS FOR FIVE OR SIX
18 YEARS, BECAUSE THERE'S THIS BATTLE GOING ON OVER ITS
19 VALUE TO THE PATIENTS AND THE PATIENTS SITTING ON
20 THE SIDELINES, JDRF, FOR EXAMPLE, WITH THE NEW
21 PUMPS, WITH THE CLOSED-LOOP SYSTEM THAT MONITORS THE
22 BLOOD SUGAR LEVELS, WORK WITH THE DEVICE MAKERS UP
23 FRONT TO GET IMMEDIATE COVERAGE BY THE INSURANCE
24 COMPANY. THE PRIVATE INSURERS, THE KAISER PLANS,
25 THE HMO'S, THIS IS CRITICAL. AND THIS PROVISION WAS

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1 MEANT TO REALLY WORK ON THAT FOCUS OF MAKING SURE
2 ALL THAT LEAD-TIME WORK THAT JDRF DID, THAT A STAFF
3 OF THE AGENCY COULD WORK WITH THE INSURANCE PROGRAMS
4 EARLY. WE ARE NOT GOING TO WAIT TILL THERE'S A CURE
5 AND START AND THEN HAVE IT AVAILABLE -- INSURANCE
6 COVERAGE THREE OR FOUR YEARS LATER AND INSURANCE
7 COVERAGE AT A 50-PERCENT LEVEL. THAT'S NOT GOING TO
8 WORK FOR CALIFORNIANS. IT'S NOT GOING TO WORK FOR
9 PATIENTS.

10 SO THIS CAN BE AN EXPERT STAFF THAT HELPS
11 DEAL WITH IT. THERE'S THREE LEVELS TO THIS. DURING
12 HUMAN TRIALS THERE'S A REAL PROBLEM WITH
13 ACCESSIBILITY IN THAT WITH PARKINSON'S, YOU NEED TO
14 TRAVEL WITH A CAREGIVER TO BE ABLE TO GO THROUGH
15 THIS PROGRAM. WHAT ABOUT THE TRAVEL COST? WHAT
16 ABOUT THE LODGING? WHAT ABOUT THE MEALS? THAT HAS
17 TO BE DEALT WITH. THIS COMMITTEE HAS WITHIN ITS
18 JURISDICTION DEALING WITH ACCESSIBILITY REAL
19 ACCESSIBILITY IN DEALING WITH THOSE BARRIER COSTS TO
20 BEING ABLE TO PARTICIPATE IN TRIALS. IT HAS,
21 ADDITIONALLY, THE LONGER TERM ISSUE OF BUILDING THE
22 FOUNDATION EARLY FOR GETTING ALL OF THESE DIFFERENT
23 REIMBURSEMENT MECHANISMS IN PLACE AND WORKING WITH
24 FOUNDATIONS. BUT, FURTHERMORE, THE INTELLECTUAL
25 PROPERTY REVENUE WITH THIS INITIATIVE IS REDIRECTED

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1 TO CIRM TO WORK WITH ASSISTING WITH THE EARLY
2 THERAPIES. WE KNOW THAT WHEN ARTIFICIAL HUMAN
3 INSULIN WAS FIRST CREATED, THAT WAS \$10 MILLION TO
4 CREATE THE FIRST DOSE. AND THAT IS IN 1970 DOLLARS.
5 OVER TIME SOME OF THESE COSTS WILL COME DOWN AND
6 THERE WILL BE EFFICIENCIES THAT WILL BE CREATED, BUT
7 NOT IN THE EARLY PERIOD WHERE WE REALLY NEED SOME
8 FOCUSED SUBSIDIES. HAVING THAT INTELLECTUAL
9 PROPERTY REVENUE RECYCLED TO HELP GET REAL ACCESS
10 EARLY WHILE THE METHODOLOGY AND EFFICIENCIES ARE
11 BEING WORKED IS CRITICAL.

12 SO THERE'S THREE DIFFERENT LEVELS. IN THE
13 CAR-T THERAPIES, FOR EXAMPLE, MEDICARE JUST
14 INCREASED THE REIMBURSEMENT RATE FROM 50 TO 65
15 PERCENT. WELL, THAT'S NOT WHERE IT NEEDED TO BE,
16 BUT IT'S A HUGE HELP TO THE HOSPITALS IN THE STATE
17 WHO ARE THE LEADING EDGE OF THE EXPERT DELIVERY OF
18 CAR-T THERAPIES. THEY'RE STILL TAKING A HUGE LOSS.
19 HOW CAN WE GET A TEAM UP FRONT ANTICIPATING THE SAME
20 THING WITH CELLULAR THERAPIES SO THAT WE CAN GET
21 FOUNDATIONS AND OTHER SOURCES IN ADDITION TO IP
22 REVENUE THAT CAN SUBSIDIZE THE SHORTFALL? WE HAVE
23 TO PROTECT OUR ALPHA CLINICS, OUR LEAD HOSPITALS,
24 WHETHER THEY'RE ALPHA CLINICS OR NOT, AT CEDARS AND
25 OTHER PLACES, AT USC. HOW ARE THEY GOING TO BEAR

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1 THE SHORTFALL FOR COST? SO THAT'S THE FOCUS OF
2 WHAT'S GOING HERE, FINDING REIMBURSEMENT SOURCES.
3 AND I THINK, STEVE, YOU AND I WORKED OUT A PLAN THAT
4 YOU'RE COMFORTABLE WITH; IS THAT RIGHT? YES. THANK
5 YOU.

6 CHAIRMAN THOMAS: OKAY. HAD A LOT OF
7 DISCUSSION ON THAT. WE'RE GOING TO MOVE ON. THANK
8 YOU, EVERYBODY.

9 THIS NEXT ONE I WANT TO GET THROUGH REALLY
10 QUICKLY. WE ARE DOWN TO 25 OR 30 MINUTES HERE.
11 ESTABLISH SCIENTIFIC ADVISORY BOARD COMPRISING 10
12 MEMBERS, 5 APPOINTED BY THE CHAIR, 5 APPOINTED BY
13 THE PRESIDENT, TO ADVISE ON SCIENTIFIC AND POLICY
14 MATTERS, INCLUDING FUNDING PRIORITIES, PORTFOLIO
15 STRATEGIES, COLLABORATIONS, AND OPPORTUNITIES FOR
16 MATCHING FUNDS. BOB, IT'S MY UNDERSTANDING YOU'VE
17 AMENDED THIS FAIRLY MATERIALLY.

18 MR. KLEIN: THAT'S CORRECT. THIS IS
19 REALLY INTENDED TO BE TASK FORCE ON SPECIFIC TOPIC
20 WITH LIMITED TIME PERIODS. AND ALL THE MEMBERS WILL
21 BE APPOINTED IN STATE. THAT'S A TRAILING
22 CORRECTION, BUT I PUT OUT THREE POINTS I PUBLISHED,
23 AND THIS IS ONE OF THOSE THREE POINTS WHERE THOSE
24 CORRECTIONS HAVE BEEN COMMITTED TO PUBLICLY TO DEAL
25 WITH THAT.

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1 CHAIRMAN THOMAS: OKAY. SO GIVEN THAT,
2 ARE THERE ANY COMMENTS BY MEMBERS OF THE BOARD ON
3 THIS ITEM?

4 MR. SHEEHY: IS THIS BODY REQUIRED TO MEET
5 IN PUBLIC?

6 MR. KLEIN: YES. THERE'S BEEN NO CHANGES,
7 THERE HAVE BEEN ABSOLUTELY NO CHANGES TO THE PUBLIC
8 LAWS, TO THE OPEN MEETING LAWS, TO THE OPEN MEETING
9 STANDARDS. NONE OF THAT HAS BEEN CHANGED.

10 MR. SHEEHY: ON THE ORIGINAL MEASURE, ALL
11 THE WORKING GROUPS HAD THE ABILITY TO MEET
12 OUTSIDE -- I WAS JUST LOOKING AT THE REFERENCE TO
13 WHAT EXISTS IN THE ORIGINAL MEASURE. THE ORIGINAL
14 MEASURE DID NOT REQUIRE THE WORKING GROUPS TO MEET
15 IN PUBLIC. THE REQUIREMENT TO MEET IN PUBLIC WAS
16 IMPOSED BY THE BOARD IN RESPONSE TO CONCERNS FROM
17 THE PUBLIC.

18 SO IT'S JUST NOT CLEAR TO ME WHETHER --
19 THE REFERENCE IN THE MEASURE ACTUALLY REFERS BACK,
20 AS I UNDERSTAND IT, TO WORKING GROUP REQUIREMENTS
21 WHICH DO NOT REQUIRE MEETING IN PUBLIC.

22 MR. KLEIN: SO --

23 MR. SHEEHY: I COULD BE WRONG IN THAT.

24 MR. KLEIN: THE RELATIONSHIP -- THE RULES
25 AND REGULATIONS THAT ARE IN PLACE NOW ARE NOT BEING

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1 AMENDED ON OPEN MEETINGS. ALL OF THOSE PROVISIONS
2 APPLY. AND I WILL CHECK WITH COUNSEL TO MAKE SURE
3 THAT THAT'S CLEAR. IT'S PERFECTLY CLEAR, ACCORDING
4 TO COUNSEL RIGHT NOW ON EVERYTHING THAT'S IN THIS,
5 BUT DOUBLE-CHECKING IS ALWAYS A GOOD THING.

6 CHAIRMAN THOMAS: OTHER COMMENTS BY
7 MEMBERS OF THE BOARD? HEARING NONE, MOVING ON TO
8 THE NEXT TOPIC. EXPANDS GOVERNING BOARD FROM 29 TO
9 35 MEMBERS TO INCLUDE REPRESENTATIVES FROM UC
10 RIVERSIDE AND THE UCSF FRESNO CLOVIS CAMPUSES,
11 EXPAND THE NUMBER OF PATIENT ADVOCATES, AND ADDS TWO
12 NURSES WITH EXPERIENCE IN CLINICAL TRIAL MANAGEMENT
13 AND THERAPY DELIVERY. COMMENTS ON THIS PROVISION?

14 MR. TORRES: I ESPECIALLY LIKE THE NURSES
15 PROVISION BECAUSE IT IS AN ABSOLUTE ELEMENTAL
16 SIGNIFICANCE IN MANY OF THESE CLINICAL TRIALS. THAT
17 WAS A MAJOR PORTION OF THE COURSE I TAUGHT TWO YEARS
18 AGO AT USF AS A VISITING PROFESSOR IN THE NURSING
19 PROGRAM. AND ALL OF MY STUDENTS WERE NURSES IN A
20 GRADUATE PROGRAM. ALL OF THEM TO A ONE SAYS THEY
21 NEEDED TO HAVE MORE ACCESSIBILITY AND NEEDED TO HAVE
22 MORE SUPPORT AND THEY NEED TO HAVE MORE TRAINING.
23 AND THAT WAS JUST MY PERSONAL EXPERIENCE IN DEALING
24 WITH NURSES. THAT WAS THE ONE PROVISION I JUST
25 WANTED TO MAKE A COMMENT ABOUT.

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1 CHAIRMAN THOMAS: STEVE AND THEN JEFF.

2 MR. JUELSGAARD: SO THIS IS ONE OF THE
3 ISSUES THAT I SPOKE WITH BOB ABOUT. I HAVE A
4 DIFFERENT POINT OF VIEW ON THE SIZE OF BOARDS.
5 BASED ON EXPERIENCE, I PREFER MUCH SMALLER BOARDS.

6 I THINK THE PROBLEM WITH -- AND I'M JUST
7 ADDRESSING THE NUMBER NOW AND NOT THE COMPOSITION.
8 THE PROBLEM WITH LARGER BOARDS, IN MY EXPERIENCE, IS
9 THAT ACTUALLY IT TENDS TO UNINVOLVE BOARD MEMBERS.
10 AND IN SOME CASES ACTUALLY THEY DON'T FEEL MUCH
11 OBLIGATION AND RESPONSIBILITY TO BEING A BOARD
12 MEMBER SIMPLY BECAUSE THEY SEE THERE ARE A WHOLE LOT
13 OF OTHER BOARD MEMBERS. AND SO IT MEANS THAT THEY
14 DON'T HAVE TO WORRY ABOUT DOING SO MUCH HEAVY
15 LIFTING OF THE WORK THAT A BOARD MEMBER SHOULD BE
16 DOING.

17 SO IT'S JUST MY REFLECTION ON LARGER
18 BOARDS; BUT AT THE END OF THE DAY, I JUST WANTED TO
19 SHARE WITH BOB MY VIEWS ON THAT AND RELY ON HIS
20 JUDGMENT AS TO WHAT HE THOUGHT WAS BEST FOR THIS
21 MEASURE.

22 CHAIRMAN THOMAS: JEFF.

23 MR. SHEEHY: I TEND TO ECHO STEVE. I
24 THINK -- AGAIN, I HAD NOT ANTICIPATED THE BOARD SIZE
25 BEING AN ELEMENT IN THIS NEW MEASURE. IN MY

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1 OPINION, THE BOARD IS ALREADY TOO LARGE. IT'S A
2 CHALLENGE. I CERTAINLY AGREE WITH THE NOTION OF
3 INCLUDING NURSES AND MORE MENTAL HEALTH ADVOCATES,
4 BUT EVEN THAT CAN BE DONE WITHIN THE CURRENT
5 FRAMEWORK OF THE SIZE. WE ARE A 29-MEMBER BOARD. I
6 JUST WANT TO IMAGINE 35 INDIVIDUALS EACH SPEAKING TO
7 AN ITEM. AND IF YOU ONLY SPOKE FOR ONE MINUTE,
8 THAT'D BE HALF AN HOUR. FOR TWO MINUTES THAT'S AN
9 HOUR. I DON'T KNOW THAT THAT ENSURES MORE
10 PARTICIPATION OF ALL MEMBERS AND FULL ENGAGEMENT.

11 JUST BASED ON MY EXPERIENCE ON THE BOARD,
12 IF I WERE DOING AND TRYING TO DO IT IN A WAY THAT I
13 THOUGHT WOULD MAKE FOR THE MOST ACTIVE AND
14 ACCOUNTABLE BOARD, I WOULD SHRINK IT. I WOULD TREAT
15 MEMBERS LIKE MEMBERS OF THE CTUC ARE TREATED, WHICH
16 IS EXPECTED TO EXERT A SIGNIFICANT AMOUNT OF
17 RESPONSIBILITY AND DEVOTE A SIGNIFICANT AMOUNT OF
18 TIME.

19 THEY ARE COMPENSATED IN A WAY THAT
20 ENFORCES THAT REQUIREMENT. I THINK FOR A LOT OF THE
21 PATIENT ADVOCATES WITHOUT MEANS IT HAS BEEN A
22 TREMENDOUS CHALLENGE. I DON'T WANT TO TALK ABOUT
23 SOME OF MY FORMER COLLEAGUES' PERSONAL EXPERIENCES,
24 BUT IT HAS INVOLVED TREMENDOUS SACRIFICE TO
25 PARTICIPATE IN THIS BOARD AT A \$100 A DAY.

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1 THE OPPORTUNITY COST FOR INDIVIDUALS WHO
2 ARE NOT WEALTHY TO PARTICIPATE ON THIS BOARD HAS
3 BEEN A CHALLENGE. SO I THINK EXPANDING THE
4 BOARD -- AND I MEAN LET'S BE CANDID. I MEAN THERE'S
5 SUCH DIFFERENT LEVELS OF PARTICIPATION BY MEMBERS OF
6 THE BOARD. IT DOESN'T REALLY SQUARE. I MEAN IT
7 SHOULD BE A SMALLER BOARD WHERE THERE'S AN
8 EXPECTATION THAT MEMBERS WILL PARTICIPATE EQUALLY
9 AND THAT MEMBERS HAVE THE ABILITY TO DO SO.

10 THE OTHER THING I THINK IS THAT WE DON'T
11 ADDRESS THE CONFLICTS-OF-INTEREST ISSUES. I DO NOT
12 THINK THAT THAT'S GOING TO GO AWAY. I WAS, I THINK,
13 THE ONLY MEMBER -- I CAN'T REMEMBER WHETHER JOAN
14 SAMUELSON JOINED ME IN THAT VOTE -- TO OPPOSE
15 DISALLOWING ACADEMIC MEMBERS TO TAKE PART IN VOTES
16 ON FUNDS, BUT THE PERCEPTION OF A CONFLICT OF
17 INTEREST IS REAL. AND IF WE'RE GOING TO ADDRESS THE
18 COMPOSITION OF THE BOARD, WE SHOULD ADDRESS THAT.
19 AND THERE'S JUST NO WAY AROUND IT.

20 I MEAN I CAN SEE IF IT WAS THE STATUS QUO
21 AND WE JUST SAID WE ARE JUST -- AND I THOUGHT THAT
22 PROPOSAL WAS JUST TO ADD MORE MONEY, VERY SIMPLE
23 PROPOSAL SAYING, HEY, WE'VE DONE A GREAT JOB. GIVE
24 US 5.5 MILLION WOULD HAVE PROBABLY BEEN THE BEST
25 WITHOUT ANY ADDITIONAL STIPULATIONS. WHAT I ASSUMED

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1 TO BE THE WAY WE WOULD GO FORWARD, BUT I DO THINK
2 THAT WE WILL RECEIVE CRITICISM, WE WILL CONTINUE
3 TO -- WE HAVE RECEIVED CRITICISM AND WE WILL RECEIVE
4 CRITICISM FOR CONFLICTS OF INTEREST. AND, FRANKLY,
5 PER THE FPPC, MEMBERS THE BOARD FROM THE UNIVERSITY
6 OF CALIFORNIA ARE NOT IN CONFLICT. IF SCOTT TOCHER
7 WAS HERE, HE WOULD VALIDATE THAT. THESE ARE TWO
8 STATE ENTITIES. LIKE THE STATE BEING IN CONFLICT
9 WITH ITSELF.

10 AGAIN, IF WE'RE GOING TO START OPENING UP
11 THE DESIGN OF THE BOARD, IT SHOULD BE SMALLER. WE
12 SHOULD ALLOW FOR -- AND NOT TO DIMINISH. OBVIOUSLY
13 WE HAD A NOBEL PRIZE WINNER ON HERE AT ONE POINT --
14 THE SCIENTIFIC EXPERTISE OF THE ACADEMIC MEMBERS, SO
15 WHY NOT IDENTIFY A CADRE OF SCIENTISTS, PERHAPS
16 EMERITI FROM SOME OF THE UNIVERSITIES LIKE FROM UC,
17 YOU COULD HAVE REALLY A STRONG SCIENTIFIC EXPERTISE
18 TO BRING TO BEAR AND REALLY TRY TO DO THIS IN A WAY
19 THAT MAKES IT CONSISTENT WITH HOW BOARDS ARE
20 COMPOSED, HOW THEY FUNCTION WITH OTHER STATE
21 AGENCIES IN CALIFORNIA. AGAIN, THAT'S JUST AN
22 OPINION, BUT I DO THINK THE CONFLICT OF INTEREST
23 ISSUE IS NOT GOING TO GO AWAY.

24 DR. PRIETO: MR. CHAIR.

25 CHAIRMAN THOMAS: YES.

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1 DR. PRIETO: DR. PRIETO AGAIN. I'M GOING
2 TO HAVE TO LEAVE THE MEETING SHORTLY BECAUSE I HAVE
3 PATIENTS TO SEE, BUT I JUST WANTED TO ECHO SOME OF
4 JEFF'S COMMENTS AND SAY THAT I AGREE THAT I THINK A
5 SMALLER, HOPEFULLY NIMBLER, MORE ENGAGED BOARD IS
6 GOING TO BETTER SERVE THE INTERESTS OF THE AGENCY
7 GOING FORWARD AND BETTER SERVE THE INTERESTS OF
8 PATIENTS. WE HAVE HAD THE EXPERIENCE OF PEOPLE WHO,
9 PARTICULARLY IN SOME OF THE EARLY YEARS OF THE
10 BOARD, WHO WERE ON THE BOARD BECAUSE WE REPRESENTED
11 A PARTICULAR INSTITUTION OR CONSTITUENCY, BUT REALLY
12 DID NOT HAVE THE LEVEL OF INTEREST OR ENGAGEMENT
13 THAT HAVE LED THEM TO BE PARTICULARLY HELPFUL. AND
14 SO I THINK WE WANT TO BE MORE SELECTIVE.

15 MR. ROWLETT: HI, MR. CHAIRMAN. THIS IS
16 AL ROWLETT.

17 CHAIRMAN THOMAS: YES, AL.

18 MR. ROWLETT: AGAIN, I ACKNOWLEDGE I
19 HAVEN'T HAD A CHANCE TO TALK TO MR. KLEIN ABOUT MY
20 COMMENT I AM ABOUT TO MAKE, BUT IF THERE IS A
21 COMMITMENT TO EXPAND THE BOARD IN THE PROPOSAL, MY
22 EXPERIENCE HAS BEEN THAT AN EXECUTIVE COMMITTEE FOR
23 A BOARD OF THIS SIZE IS ABSOLUTELY ESSENTIAL. FOR
24 EXAMPLE, AN EXECUTIVE COMMITTEE MEETS IN INTERVALS
25 WHEN THE BOARD DOESN'T MEET AND HAS SOME AUTHORITY

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1 TO EXERCISE POWER DURING THOSE INTERVALS. THE
2 EXECUTIVE COMMITTEE DOESN'T HAVE THE AUTHORITY, DOES
3 NOT HAVE THE AUTHORITY TO ADOPT OR AMEND OR APPEAL
4 ANY PROVISION OF THE BYLAWS. HOWEVER, TO THE EXTENT
5 THAT THE LAW ALLOWS, THE EXECUTIVE COMMITTEE CAN
6 ADDRESS AND MOVE FORWARD SOME OF THE ACTION THAT I
7 THINK WITH A BOARD THIS SIZE MAKES IT TOO DIFFICULT
8 AND UNWIELDY DURING A BOARD MEETING.

9 AND SO, AGAIN, I'M GOING TO CONCLUDE WITH
10 I AGREE WITH WHAT MR. JUELSGAARD SAID; HOWEVER, IF
11 THERE IS A COMMITMENT TO EXPANDING THE SIZE OF THE
12 BOARD, I HOPE THERE WOULD BE CONSIDERATION OF
13 FORMING AN EXECUTIVE COMMITTEE TO ACCOMPLISH THE
14 WORK.

15 CHAIRMAN THOMAS: THANK YOU, AL. I'D ALSO
16 ADD TO THAT THAT THE EXPANDED BOARD, IF THAT WERE
17 THE DIRECTION, WOULD, IN ORDER TO GET BETTER
18 ENGAGEMENT, WHICH I THINK -- ANY BOARD SUFFERS FROM
19 ENGAGEMENT NO MATTER WHAT SIZE, BUT AT LEAST YOU
20 HAVE A LARGER BOARD, IT PLACES INCREASED EMPHASIS ON
21 THE RELEVANT SUBCOMMITTEES TO BE MORE ACTIVE AND
22 PARTICIPATORY IN HELPING TO DRIVE RECOMMENDATIONS TO
23 THE FULL BOARD, ET CETERA.

24 OTHER COMMENTS? OS.

25 DR. STEWARD: SO I AM RELUCTANT TO OFFER

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1 AN OPINION COUNTER TO JEFF AND FRANCISCO BECAUSE WE
2 ARE, I GUESS, THE THREE LONGEST SURVIVING MEMBERS OF
3 THE BOARD, AND THEY CERTAINLY PROFFERED GREAT
4 IMPORTANT OPINIONS ON THIS. I HAVE TO COME IN ON
5 THE OTHER SIDE, I'M SORRY TO SAY.

6 WHEN I FIRST STARTED ON THE BOARD, I WOULD
7 HAVE SAID 29 MEMBERS IS RIDICULOUS. BUT MY FEELING,
8 BASED ON MY HISTORY ON THE BOARD, IS THAT THE
9 EXPERIENCE HAS BEEN TRULY REMARKABLE, I HAVE TO SAY.
10 IT'S ALWAYS MORE EFFICIENT TO RUN A COUNTRY WITH A
11 CENTRAL COMMITTEE THAN IT IS WITH A REPRESENTATIVE
12 DEMOCRACY, THE LEGISLATURE, FOR EXAMPLE. BUT AT THE
13 END OF THE DAY, I THINK THAT MOST OF US AGREE THAT
14 THE LATTER, ALTHOUGH MESSY, IS ACTUALLY A BETTER WAY
15 TO REALLY ENRICH THE OVERALL ENDEAVOR.

16 SO I JUST HAVE TO SAY THAT, YES, THERE
17 HAVE BEEN INSTANCES WHEN SOME HAVE BEEN MORE OR LESS
18 ENGAGED THAN OTHERS. I TOTALLY AGREE WITH JEFF,
19 THAT THERE HAVE BEEN OCCASIONS WHEN THE PATIENT
20 ADVOCATE MEMBERS HAVE EXPERIENCED DIFFICULTY. I'M
21 FORTUNATE THAT I PERSONALLY DON'T SUFFER FROM THE
22 DISEASE OR DISORDER THAT I REPRESENT ON THE BOARD
23 BECAUSE IF I DID, ATTENDING THESE MEETINGS WOULD BE
24 A HUGE BARRIER FOR ME. BUT THE PEOPLE WHO HAVE BEEN
25 THOSE REPRESENTATIVES HAVE COME. JEFF, YOU'VE BEEN

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1 TO MORE MEETINGS THAN I HAVE CERTAINLY AND ATTENDED
2 IN PERSON. AND I THINK THAT THE PEOPLE WHO AGREE TO
3 SERVE DO SO WILLINGLY AND WITH THE FULL SPIRIT OF
4 PARTICIPATION. SO I COME IN ON THE OTHER SIDE HERE.
5 I THINK THAT, YES, IT'S UNWIELDY; YES, IT'S MESSY,
6 BUT IT HAS GENERATED FANTASTIC RESULTS IN THE
7 HISTORY OF THIS ENDEAVOR. THANK YOU.

8 CHAIRMAN THOMAS: ANNE-MARIE.

9 DR. DULIEGE: OS, WHILE YOU WERE SAYING
10 THE VALUE OF AROUND 29 PEOPLE, ARE YOU SAYING THAT
11 YOU SUPPORT EXPANDING THE BOARD, WHICH BECOMES EVEN
12 MORE UNWIELDY?

13 DR. STEWARD: WELL, WHAT I WOULD SUPPORT
14 IS INCREASING THE REPRESENTATION AS DOCUMENTED HERE.
15 SO NURSING, FOR EXAMPLE.

16 DR. DULIEGE: TRUE.

17 DR. STEWARD: I DON'T CARE ABOUT THE
18 NUMBER. I CARE -- I DON'T THINK 29 IS TOO MANY. I
19 DON'T REALLY THINK THAT INCREASING IS GOING TO MAKE
20 THAT MUCH DIFFERENCE. IF IT STAYED AT 29, THAT
21 WOULD BE FINE TOO. BUT I DO THINK THAT DIVERSITY IS
22 WHAT HAS BEEN THE MAJOR STRENGTH.

23 CHAIRMAN THOMAS: THANK YOU, OS. IT IS
24 NOW 10:49 WE CAN TAKE A COUPLE OF THESE. WE
25 STARTED LATE. BOB, VERY BRIEFLY.

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1 MR. KLEIN: VERY BRIEFLY. SO FIRST OF
2 ALL, LOVE TO BE ABLE -- WHEN I WAS CHAIRMAN, I WOULD
3 LOVE TO BE ABLE TO CONVENE AN EXECUTIVE COMMITTEE.
4 THE PROBLEM IS UNDER THE STATUTE OF THE STATE OF
5 CALIFORNIA, YOU CAN'T DO IT. SO THE PROBLEM IS I'VE
6 GOT THOUSANDS AND THOUSANDS AND THOUSANDS OF
7 STATUTORY LAWS THAT I'M WORKING WITH IN HERE WITH A
8 NUMBER OF LAWYERS TO MAKE SURE WE ARE CONSISTENT
9 WITH ALL THE REQUIREMENTS. WE SPENT TWO AND A HALF
10 YEARS IN LITIGATION, CHALLENGED ON 54 POINTS. WE
11 WON FOUR LAWSUITS, BUT THAT'S BECAUSE WE WERE
12 CAREFUL. AND I'D LOVE TO DO THIS. I CAN'T DO IT.

13 SECONDLY, WHEN I WAS CHAIRMAN, WE HAD THE
14 FACILITIES COMMITTEE. WE REALLY DON'T HAVE THAT
15 ISSUE RIGHT NOW, BUT THE NEW ACCESS AND
16 AFFORDABILITY WORKING GROUP, I THINK, IS GOING TO
17 TAKE A LOT OF TIME FROM THOSE FIVE BOARD MEMBERS AND
18 BE VERY CONSUMING TO BE EFFECTIVE. WITH PRESTIGE
19 AND QUALITY AND INSIGHTS OF THE BOARD MEMBERS, WE
20 HAVE A LOT OF OBLIGATIONS, AND HAVING ENOUGH BOARD
21 MEMBERS TO FILL THESE WORKING GROUPS WITH REAL
22 COMMITMENT IS VERY IMPORTANT.

23 AND FROM AN OVERALL STANDPOINT, I DON'T
24 THINK EVERYONE SHOULD BE OBLIGATED TO COMMIT EQUAL
25 TIME BECAUSE PEOPLE COME WITH PHENOMENAL BACKGROUNDS

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1 IN SPECIFIC AREAS. THEY'RE A HUGE RESOURCE. AS
2 CHAIRMAN, I WOULD GO TO ONE PERSON I KNEW WAS AN
3 EXPERT IN ONE AREA THAT'S COMPLETELY DIFFERENT THAN
4 WHAT SOMEONE ELSE KNEW. HAVING THIS WHOLE RANGE OF
5 EXPERTISE FROM PATIENT ADVOCATES TO SCIENTISTS TO
6 THE LIFE SCIENCE BUSINESS COMMUNITY, THERE ARE SOME
7 PEOPLE THAT IN AN HOUR A MONTH CAN CONTRIBUTE HUGE
8 BENEFIT THROUGH THEIR INSIGHTS AND 30 OR 40 YEARS OF
9 EXPERIENCE, AND IT'S CRITICAL TO HAVE THEIR
10 EXPERIENCE. THE CHARACTERISTICS FROM DRAWING FROM
11 ALL THESE DIFFERENT DISCIPLINES, ALL OF THESE
12 DIFFERENT AREAS OF SCIENCE ON THE BOARD, I THINK, IS
13 VERY IMPORTANT.

14 BUT ONE CAN ARGUE EITHER WAY. I WILL SAY
15 THIS BOARD AT 29 HAS BEEN REMARKABLE, EXTRAORDINARY
16 IN ITS RESULTS, WHICH IS A GOOD VALIDATION THAT 29
17 MEMBER BOARDS CAN WORK. AND I DON'T THINK THERE'S
18 MUCH DIFFERENCE HERE AT THE MARGIN.

19 MR. TORRES: UNDER THE CURRENT LAW, ANY OF
20 US CAN TALK TO 12 BOARD MEMBERS. IF THIS BOARD IS
21 INCREASED TO THIS NUMBER, WE CAN TALK TO 17 BOARD
22 MEMBERS WITHOUT VIOLATING ANY LAW. THERE'S NEVER
23 BEEN AN OCCASION WHEN I HAVEN'T COMPLAINED TO BILL
24 BAGLEY ABOUT THIS LAWS THAT RESTRICTS US SO MUCH IN
25 TERMS OF EVEN HAVING A RETREAT TO GET TO KNOW EACH

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1 OTHER AS BOARD MEMBERS. IT'S IMPOSSIBLE.

2 SECONDLY, I'LL BE VERY QUICK. WHEN WE
3 REVISED OUR EMPLOYEE CAP, WE ALSO INCLUDED INCREASED
4 REIMBURSEMENT FOR PATIENT ADVOCATES, AS JEFF WELL
5 KNOWS. BUT I REALLY THINK WE NEED TO GO BEYOND
6 THAT. I REALLY THINK THAT WE NEED TO PAY PATIENT
7 ADVOCATES A SALARY BECAUSE THEY PROVIDE SO MUCH
8 INPUT, SO MUCH TIME, AND TOTALLY ON A VOLUNTEER
9 BASIS.

10 I REMEMBER HAVING TO DEAL WITH JOAN, AND
11 WE TRIED TO HELP HER AS MUCH AS WE COULD, PROVIDE
12 HER CAREGIVER, FOR HER TRANSPORTATION. THOSE ARE
13 ALL FACTORS WE HAVE TO TAKE INTO ACCOUNT AS WE ARE
14 DEALING WITH PATIENT ADVOCATES.

15 CHAIRMAN THOMAS: THANK YOU, ART.

16 MR. SHEEHY: I'D JUST LIKE TO ECHO ART'S
17 COMMENT BECAUSE THAT'S PERHAPS MY BIGGEST -- AND I
18 APPRECIATE SENATOR TORRES' COMMENTS. IT HAS BEEN A
19 REAL BURDEN. AND I'M GLAD YOU MENTIONED JOAN. IT'S
20 BEEN A REAL BURDEN FOR SOME PATIENT ADVOCATES TO
21 PARTICIPATE. THAT DIRECTLY IMPACTS THE DIVERSITY OF
22 THIS BOARD AND ITS REPRESENTATION OF THE PEOPLE OF
23 CALIFORNIA. IF WE CANNOT MAKE IT POSSIBLE FOR
24 PATIENT ADVOCATES SUCH AS JOAN WHO ARE STRUGGLING
25 WITH THEIR DISEASE, WHO LITERALLY CANNOT AFFORD TO

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1 BE HERE, YET COME HERE -- I DON'T KNOW IF YOU
2 REMEMBER HER STRUGGLING, LOCKED IN THE THROES OF
3 PARKINSON'S, BUT DETERMINED TO FIGHT, TO FIGHT, TO
4 FIGHT, AND TO BE SO EXTRAORDINARILY RESOURCE
5 LIMITED. IT IS FUNDAMENTALLY UNFAIR.

6 CHAIRMAN THOMAS: I WOULD ECHO THAT, AND
7 I'D ALSO SAY VERY BRIEFLY THAT I THINK THE ROLE OF
8 THE PATIENT ADVOCATE IS CRUCIAL. AND TO ME ONE OF
9 THE REASONS WHY REDUCING THE BOARD SIZE WOULD BE A
10 REAL DETRIMENT BECAUSE YOU LOSE A LOT OF PATIENT
11 ADVOCATE PARTICIPATION.

12 I WOULD LIKE TO SAY, LASTLY, ON THIS TOPIC
13 AND WE'LL MOVE ON, AS CHAIR OF THE BOARD, A 29
14 MEMBER ENTITY, I PERSONALLY HAVE FOUND IT TO BE NOT
15 UNWIELDY AT ALL. I THINK IT'S BEEN VERY EFFECTIVE
16 IN WHAT WE'VE BEEN ABLE TO DO BOTH AS A GROUP AND IN
17 SUBCOMMITTEE STRUCTURE. THE EXPERTISE HAS BEEN
18 IMPORTANT. IT HAS NOT, IN MY OPINION, BEEN AT ALL A
19 BURDEN. I HAD NOT ANTICIPATED IT GETTING LARGER,
20 BUT I, LIKE OS, DO NOT HAVE A PARTICULAR PROBLEM
21 WITH THAT.

22 OKAY. ON TO THE NEXT ITEM.

23 MR. TORRES: POINT OF CLARIFICATION. ARE
24 WE ALLOWED TO PROVIDE A SALARY FOR PATIENT
25 ADVOCATES, OR DO WE HAVE TO GO TO THE LEGISLATURE AS

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1 WE DID BEFORE FOR A SMALL INCREMENT?

2 MR. KLEIN: SO I WANT ALWAYS TO BE CAREFUL
3 AND REVIEW IT WITH A COUPLE OF COUNSEL, NOT ONE, BUT
4 TWO. I THINK THIS IS AN IMPORTANT POINT. I
5 APPRECIATE THE FOCUS ON IT. I'M GOING TO SEE IF WE
6 CAN ADDRESS THIS BECAUSE THIS IS A STATUTORY
7 AMENDMENT. AS LONG AS I DON'T HAVE A CONSTITUTIONAL
8 PROBLEM, I'M GOING TO SEE IF I CAN ADDRESS THIS
9 ISSUE WITH PATIENT ADVOCATE COMPENSATION.

10 THE VOTERS WILL WANT TO KNOW THAT IT'S NOT
11 A SALARY, IT'S PER DAY, BECAUSE THEY'RE GOING TO
12 WANT TO KNOW IT'S ONLY WHEN THEY'RE DOING THE
13 STATE'S BUSINESS. BUT LET ME, WITHIN THAT
14 CONSTRAINT, SO THE VOTERS HAVE CONFIDENCE OF WHAT
15 THEY'RE DOING HERE BECAUSE THEY'RE VERY SENSITIVE ON
16 THIS ISSUE. LET ME BE CAREFUL AND DOUBLE-CHECK, BUT
17 I THINK IT'S A VERY IMPORTANT POINT. SO I
18 APPRECIATE IT BEING RAISED.

19 DR. STEWARD: ONE THING QUICKLY.
20 ABSOLUTELY WHAT JEFF SAID. THE REAL COST OF
21 ATTENDING MEETINGS --

22 MR. KLEIN: RIGHT.

23 DR. STEWARD: -- A CAREGIVER IS NECESSARY.

24 MR. KLEIN: RIGHT.

25 DR. STEWARD: WHATEVER IS NECESSARY TO

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1 MAKE IT SO THAT A PATIENT ADVOCATE CAN ACTUALLY
2 ATTEND.

3 MR. KLEIN: RIGHT. OKAY.

4 MR. SHEEHY: I'M SORRY. BECAUSE I KNOW WE
5 ARE TRYING TO GET THROUGH THIS. JUST LOOK AT THE
6 NURSES AS WELL BECAUSE THEY MAY NOT BE ABLE
7 (UNINTELLIGIBLE) COSTS THAT ARE INVOLVED. BUT WE
8 SHOULD NOT PUT DOWN BARRIERS TO PARTICIPATION.

9 MR. KLEIN: I WILL DEFINITELY DO THAT.
10 AND I WOULD LIKE TO ALSO SAY THAT THE BRIDGES
11 PROGRAM IS A GREAT PROGRAM, BUT ACTUALLY, JEFF, FROM
12 ABOUT A MONTH AGO YOUR COMMENTS TO ME,
13 I INCORPORATED THE APPRENTICESHIP PROGRAM FOR
14 DIVERSITY, FOR COINVESTMENT.

15 CHAIRMAN THOMAS: OKAY, THANK YOU. VERY
16 IMPORTANT TOPIC.

17 ALL RIGHT. THE NEXT ONE WE'VE ALLUDED TO.
18 I DON'T THINK WE NEED TO SPEND A LOT OF TIME UNLESS
19 THERE'S COMMENT. BY THE WAY, WE STARTED ABOUT TEN
20 MINUTES LATE. WITH INDULGENCE OF PEOPLE WHO CAN
21 MAKE IT TEN MINUTES PAST THE HOUR, IF YOU CAN'T I
22 UNDERSTAND, PLEASE WE ARE GETTING DOWN TO THE HOME
23 STRETCH HERE.

24 MR. TORRES: ALSO I THINK YOU HAVE TO MAKE
25 ROOM FOR PUBLIC COMMENT.

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1 CHAIRMAN THOMAS: YES.

2 MR. TORRES: I JUST MENTIONED THAT.

3 CHAIRMAN THOMAS: OF COURSE. YES.

4 ABSOLUTELY.

5 ALL RIGHT. REQUIRES REVENUE FROM IP
6 GENERATED BY CIRM-FUNDED RESEARCH TO BE DEPOSITED IN
7 CALIFORNIA'S GENERAL FUND. TO THE EXTENT PERMITTED
8 BY LAW, SUCH FUNDS ARE REQUIRED TO BE USED TO OFFSET
9 THE COST OF PROVIDING TREATMENTS AND CURES ARISING
10 FROM CIRM-FUNDED RESEARCH TO CALIFORNIA PATIENTS WHO
11 HAVE INSUFFICIENT MEANS TO PURCHASE THE TREATMENT OR
12 CURE. ANY COMMENTS? WE TALKED ABOUT THIS A LITTLE
13 BIT BEFORE. HEARING NONE, ON TO THE NEXT ITEM.

14 THIS ONE, I THINK, HAS BEEN THE SOURCE OF
15 SOME CONTROVERSY. I THINK IT'S BEING CONSIDERED TO
16 BE AMENDED. I HOPE THIS DOESN'T TAKE VERY LONG.

17 REQUIRES GOVERNING BOARD OF CIRM TO
18 DEVELOP CONFLICT OF INTEREST STANDARDS IN
19 CONSULTATION WITH THE NATIONAL ACADEMY OF SCIENCES
20 AND THE SCIENTIFIC AND MEDICAL ACCOUNTABILITY
21 STANDARDS WORKING GROUP, OUR IN-HOUSE BODY, FOR THE
22 CONSIDERATION OF FUNDING AWARDS BASED ON BEST
23 PRACTICES ESTABLISHED BY THE NATIONAL ACADEMIES OF
24 SCIENCES TO PREVENT CONFLICTS OF INTEREST IN THE
25 AWARD OF RESEARCH FUNDING.

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1 BEFORE WE TALK ABOUT THIS, BOB, HOW HAVE
2 YOU WORKED TO AMEND THIS?

3 MR. KLEIN: SO THERE'S TWO MAIN SECTIONS
4 WHERE THIS IS ADDRESSED. EVEN THOUGH THIS WAS A
5 SUMMARY, IT IS NOT THE LANGUAGE THAT'S ACTUALLY IN
6 THE INITIATIVE. THE COUNSEL BELIEVED BEFORE IT
7 WOULD HAVE BEEN IN THE DISCRETION OF THE BOARD, BUT
8 IN ANY CASE, TO MAKE IT ABSOLUTELY CLEAR, I'VE
9 AMENDED BOTH OF THESE SECTIONS TO SAY IN THE
10 DISCRETION OF THE BOARD.

11 THE POINT IS HERE'S A NATIONAL ACADEMY
12 MODEL. THE BOARD CAN LOOK AT IT AT THEIR
13 DISCRETION, AND THEY HAVE A SEPARATE STANDING ETHICS
14 AND STANDARDS COMMITTEE WHO WILL DECIDE WHAT THEY
15 WANT TO DO. SO THAT'S BEEN AMENDED.

16 THERE IS ONE PLACE THAT I FOUND THAT THE
17 ATTORNEYS STILL ARE AMENDING. THERE'S A SINGLE LINE
18 THAT'S ON PAGE 16 THAT STILL DOESN'T SAY IN
19 DISCRETION, AND THAT THIRD PLACE WILL HAVE THE IN
20 DISCRETION LANGUAGE AS WELL.

21 SO THIS IS COMPLETELY IN THE BOARD'S
22 DISCRETION. IT'S JUST SAYING THERE'S A STANDARD OUT
23 THERE. JUST IN YOUR DISCRETION LOOK AT THIS AND SEE
24 WHAT YOU THINK.

25 CHAIRMAN THOMAS: OKAY. WITH THAT IN

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1 MIND, COMMENTS? JEFF.

2 MR. SHEEHY: I JUST WANT TO MAKE ONE
3 COMMENT, AND I REALLY APPRECIATE THE CHANGES THAT
4 ARE BEING MADE. JUST TO REMARK THAT THE INSTITUTE
5 OF MEDICINE, WHICH IS NOW THE NATIONAL ACADEMY OF
6 MEDICINE AND IS PART OF THE NATIONAL ACADEMY OF
7 SCIENCES, WHEN THEY DID THEIR REPORT, THEY
8 SPECIFICALLY SAID PATIENT ADVOCATES HAD CONFLICTS OF
9 INTEREST. THAT IS INCREDIBLY DISTURBING. TO
10 IMPEACH A WITNESS, AND THAT WITNESS WAS HEAVILY
11 IMPEACHED IN MY MIND. I JUST PUT THAT OUT THERE. I
12 DON'T KNOW IF IT NEEDS TO BE ADDRESSED BY --

13 YOU THINK ABOUT POOR JOAN WHO WE JUST
14 DISCUSSED. GOD BLESS HER AND THANK HER. I'M STILL
15 IN AWE. SOMEHOW THE STRUGGLES THAT SHE WENT THROUGH
16 TO BE HERE TO PARTICIPATE, SAYING IN SOME WAY THAT
17 SHE HAD A CONFLICT OF INTEREST WAS A CHALLENGE.
18 I'LL LEAVE IT AT THAT.

19 CHAIRMAN THOMAS: I WOULD LIKE
20 TO -- COUPLE POINTS. ONE IS, AS YOU RECALL AT THE
21 TIME WHEN WE DISCUSSED THAT REPORT, WE WERE
22 UNANIMOUS IN OUR FEELING THAT THAT WAS UNREASONABLE,
23 FAIRLY UNREASONABLE RECOMMENDATION BY THE IOM.

24 I WOULD WANT TO NOTE THAT THE IOM IS A
25 SEPARATE ACADEMY FROM THE NATIONAL ASSOCIATION

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1 OF -- NATIONAL ACADEMY OF SCIENCES, CORRECT? IT
2 ISN'T LIKE WE'RE GOING BACK TO THE IOM LOOKING FOR
3 GUIDANCE.

4 MR. SHEEHY: IT'S NOT THE NATIONAL ACADEMY
5 OF MEDICINE. IT IS PART OF THE MEMBERSHIP OF THE
6 NATIONAL ACADEMY OF SCIENCES.

7 MR. KLEIN: THERE'S THREE DIVISIONS.

8 CHAIRMAN THOMAS: THERE'S THREE DIFFERENT
9 DIVISIONS, YEAH. SO ANYWAY, POINT WELL TAKEN.
10 OKAY. SO I THINK WE'VE DEALT WITH THAT. THANK YOU
11 AGAIN FOR AMENDING THAT PROVISION. THAT WAS A CAUSE
12 OF CONCERN FOR A NUMBER OF PEOPLE ON THE BOARD.

13 ALL RIGHT. NEXT ITEM, REQUIRES GOVERNING
14 BOARD TO UPDATE STANDARDS, AT LEAST EVERY FOUR
15 YEARS, RELATING TO CONFLICTS OF INTEREST, ETHICAL
16 RESEARCH AND TREATMENT, AND INDEPENDENT FINANCIAL
17 AUDITS. THIS ONE DOES NOT SOUND LIKE IT SHOULD BE
18 CONTROVERSIAL. ANY COMMENTS ON THIS PROVISION?
19 HEARING NONE, TO THE NEXT.

20 IMPOSES CAP OF 70 EMPLOYEES, PLUS UP TO 15
21 ADDITIONAL EMPLOYEES, DEDICATED TO SUPPORTING THE
22 DEVELOPMENT OF POLICIES AND PROGRAMS DESIGNED TO
23 HELP MAKE TREATMENTS AND CURES ARISING FROM
24 CIRM-FUNDED RESEARCH AVAILABLE AND AFFORDABLE FOR
25 CALIFORNIANS.

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1 MR. KLEIN: MAY I MAKE A COMMENT THAT MAY
2 SIMPLIFY THIS THING?

3 CHAIRMAN THOMAS: YES.

4 MR. KLEIN: PLEASE REALIZE THAT THIS CAP
5 IS ONLY WITH THE STATE BOND FUND. SO THE PUBLIC, IN
6 VOTING THE 5.5 BILLION, IS HIGHLY FOCUSED ON THE
7 ISSUE OF HOW BIG THE STAFFING IS, WHICH IS A
8 CRITICAL ISSUE FOR THEM IN PASSAGE. SO THE CAP,
9 THOUGH, DOES NOT INCLUDE ANY FUNDS THAT CAME FROM
10 THIRD PARTIES. IN THE BEGINNING OF THIS AGENCY, WE
11 HAD DONATIONS THAT WE USED TO COVER COSTS FOR PEOPLE
12 THAT COULD BE OUTSIDE THE CAP. AND YOU HAVE
13 DONATIONS NOW FROM PEOPLE COVERING STAFF. THE
14 PUBLIC IS FINE IN TERMS OF PERCEPTION, AND THEY
15 THINK IT'S GRAND THAT PEOPLE WILL CONTRIBUTE MONEY
16 FOR ADDITIONAL STAFF. THEY JUST DON'T WANT TO PAY
17 FOR IT.

18 CHAIRMAN THOMAS: THANK YOU. COMMENTS ON
19 THIS PROVISION? HEARING NONE, THE LAST ITEM WE
20 ACTUALLY HAVE TALKED ABOUT. I WILL JUST INTRODUCE
21 IT IN CASE THERE ARE FURTHER COMMENTS. ALLOCATES
22 TWO PERCENT OF AMOUNT AVAILABLE FOR GRANTS FOR
23 FACILITIES, EQUIPMENT, AND OPERATIONS OF COMMUNITY
24 CARE CENTERS OF EXCELLENCE (1.5 PERCENT) AND SHARED
25 LABS (.5 PERCENT).

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1 ARE THERE ANY OTHER ADDITIONAL COMMENTS?
2 WE'VE KIND OF DISCUSSED THIS IN GREAT DETAIL. OKAY.
3 HEARING NONE, MR. SHEEHY, AT THIS POINT
4 WE'VE GOTTEN THROUGH OUR LIST HERE. THIS IS THE
5 POINT IN THE AGENDA YOU WANTED TO CONSIDER YOUR
6 REQUEST THAT THE BOARD CONSIDER DRAFTING AN
7 ALTERNATIVE INITIATIVE.

8 MR. SHEEHY: I THINK THIS IS A FANTASTIC
9 PROCESS. I'M INCREDIBLY GRATEFUL TO MY COLLEAGUES
10 AND ESPECIALLY TO MR. KLEIN FOR THE ABILITY TO HAVE
11 THIS VERY DETAILED AND CANDID DISCUSSION ABOUT THE
12 ELEMENTS OF THE BOND MEASURE IN PUBLIC. I THINK
13 THIS HAS BEEN A VERY IMPORTANT EXERCISE. AND,
14 AGAIN, I JUST WANT TO EXPRESS MY GRATITUDE TO
15 EVERYONE WHO PARTICIPATED TODAY. I HOPE IT WASN'T
16 TOO PAINFUL. I DO THINK IT IS A NECESSARY EXERCISE
17 FOR THIS BOARD IN ORDER FOR IT TO FULFILL ITS
18 DUTIES.

19 I REALLY APPRECIATE THE SERIOUSNESS AND
20 THE RIGOR IN WHICH MY COLLEAGUES APPROACHED THIS,
21 AND I AM REALLY INCREDIBLY GRATEFUL TO MR. KLEIN FOR
22 HIS RESPONSIVENESS TO OUR CONCERNS. I DON'T THINK
23 ANYONE IS -- WE ALL SHARE THE SAME OBJECTIVE, AND WE
24 JUST ALL WANT TO GET THERE TOGETHER. AND I
25 UNDERSTAND THE NECESSITY FOR SOME OF THE PROCESS,

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1 BUT I DID THINK IT IS IMPORTANT FOR AN AGENCY THAT'S
2 EXISTED FOR OVER 15 YEARS THAT WE PARTICIPATE IN THE
3 PROCESS IN A MEANINGFUL WAY. AND TO MY MIND THIS
4 HAS BEEN A VERY MEANINGFUL PROCESS.

5 CHAIRMAN THOMAS: THANK YOU.

6 MR. TORRES: PUBLIC COMMENT FROM MR. REED.

7 CHAIRMAN THOMAS: THANK YOU. YES. PUBLIC
8 COMMENT STARTING WITH DON REED AND ANYBODY ELSE HERE
9 OR AT ANY OF THE LOCATIONS THAT WOULD LIKE TO
10 COMMENT.

11 MR. TORRES: ALSO MY THANKS TO JEFF.

12 MR. REED: NOW IS THE TIME FOR UNITY AS
13 CALIFORNIA FIGHTS TO KEEP OUR BELOVED STEM CELL
14 PROGRAM ALIVE. IT IS MY HOPE THAT EVERY SCIENTIST,
15 PATIENT ADVOCATE, BOARD MEMBER WILL TAKE A STRONG
16 STAND IN SUPPORT OF THE 2020 INITIATIVE AS WRITTEN.
17 THE CITIZENS OF THIS STATE CAN SHARE OUR CONFIDENCE,
18 WISDOM, NECESSITY OF THIS LARGE AMOUNT OF FUNDS.
19 LET ME TELL YOU WHY.

20 WHEN CIRM BEGAN IN 2004, THE FIELD OF STEM
21 CELL RESEARCH WAS JUST GETTING STARTED. THE EARLY
22 GRANTS WERE NOT ONLY TO ATTRACT SCIENTISTS, BUT ALSO
23 TO BUILD NEW LABS WHERE THEY COULD WORK WITHOUT FEAR
24 OF POLITICAL HARASSMENT AS THEY WORKED WITH PARADIGM
25 CHANGING, NEW CONCEPTS IN REGENERATIVE MEDICINE.

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1 THEN CAME THE NEXT PHASE WHEN IDEAS BEGAN
2 TO BE TRANSLATED INTO SAFE USABILITY AND THEORIES
3 BECAME THERAPIES. BUT IT WAS FRUSTRATING. WE SPOKE
4 WITH MANY ADVOCATES. IN REALITY PROGRESS WAS BEING
5 MADE IN LEAPS AND BOUNDS. CIRM-FUNDED RESEARCH HAS
6 ALREADY SAVED THE LIVES OF MORE THAN 50 LITTLE
7 CHILDREN OF THE OFTEN FATAL BUBBLE BABY DISEASE.
8 MAJOR PROGRESS HAS BEEN MADE IN THE BATTLE AGAINST
9 BLINDNESS, PARALYSIS, AND KIDNEY FAILURE. TWO
10 PRICELESS THERAPIES WERE APPROVED BY THE FDA, ONE TO
11 FIGHT BONE MARROW CANCER AND THE OTHER A LEUKEMIA
12 THERAPY, ATTACKING THE DISEASE WHICH KILLED MY
13 SISTER PATTY, WHO DIED AT AGE 23.

14 NOW WE APPROACH THE NEXT PERIOD. THE
15 FIRST MAJOR BENEFITS WITH A DECADE AND A HALF OF
16 PREPARATION AND HARD WORK, THEY BREAK THROUGH INTO
17 EVERYDAY REALITY. THERE'S A NEW MOVIE COMING OUT
18 NOW CALLED *FORD VS. FERRARI* IN WHICH A PARADIGM
19 CHANGING NEW CAR IS BUILT TO WIN A RACE. IMAGINE IF
20 THIS WONDERFUL AUTOMOBILE WAS DESIGNED AND
21 MANUFACTURED, BUT WHEN AT THE RACE TRACK, THERE WAS
22 NO FUEL TO MAKE IT GO. THIS IS WHERE WE ARE RIGHT
23 NOW IN THE STORY OF CIRM.

24 WE HAVE A MAGNIFICENT ENGINE CAPABLE OF
25 WORLD CHANGING HEALTH BENEFITS, WHICH CAN BEST BE

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1 COMPARED TO THE NATIONAL INSTITUTES OF HEALTH OR THE
2 PATIENT ADVOCATE BUILT MARCH OF DIMES. AMAZINGLY,
3 OUR GREATEST PROBLEM MAY NOT BE JUST TO DEVELOP
4 CURES. I BELIEVE WE ARE ABSOLUTELY ON THE RIGHT
5 TRACK FOR THAT. BUT TO DEVELOP ACCESS BOTH TO
6 CLINICAL TRIALS AND THE TREATMENTS AND CURES
7 THEMSELVES. ACCESS TO SUCH PROGRAMS WILL BE
8 DIFFICULT, BUT OUTLINES OF IMPROVEMENT ARE ALREADY
9 BECOMING CLEAR.

10 ESTABLISHING COMMUNITY CARE CENTERS WILL
11 HELP BRING TRIALS AND TREATMENTS CLOSER TO MORE AND
12 MORE OF THE PATIENTS CIRM IS PLEDGED TO SERVE.
13 ADDITIONAL STAFF MUST DEVELOP NEW METHODS OF
14 ENSURING ACCESS AND AFFORDABILITY.

15 WITH THE NEW FUNDING, I FEEL WE SHOULD
16 FOCUS MORE ON MENTAL HEALTH CONDITIONS LIKE
17 SCHIZOPHRENIA OR DEPRESSION. PEOPLE WITH ONE
18 CHRONIC ILLNESS OR INJURY OF THE BODY MAY DEVELOP A
19 CONDITION AFFECTING THE MIND AS WELL. MEMBERS OF MY
20 FAMILY HAVE VARIOUS PHYSICAL AILMENTS. I CANNOT
21 IMAGINE THE AGONY THEY WOULD SUFFER IF THEY HAD TO
22 DEAL WITH A MENTAL CONDITION AT THE SAME TIME. OUR
23 BOARD COULD BENEFIT FROM MANY NURSES WITH CLINICAL
24 TRIAL EXPERIENCE, MEMBERS FROM UNDER-REPRESENTED
25 CORNERS OF OUR STATE AND ADDITIONAL PATIENT

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1 ADVOCATES. SOME WILL, OF COURSE, WORK CLOSELY WITH
2 TOP SCIENTIFIC ORGANIZATIONS LIKE THE NATIONAL
3 ACADEMY OF SCIENCES TO ENSURE THAT OUR POLICIES AND
4 PROCEDURES ARE ALWAYS HELD TO THE HIGHEST STANDARD.
5 WE WILL ALSO CONTINUE RIGOROUS FINANCIAL AUDITING.

6 LARGER MINDS THAN MINE WILL WRESTLE WITH
7 WHATEVER PROBLEMS MAY ARISE, BUT THE GREATEST
8 CHALLENGE HAS ALREADY BEEN MET. WE HAVE THE ENGINE.
9 WE DARE NOT LET IT STOP. ALL WE NEED NOW IS THE
10 FUEL TO KEEP IT GOING. THANK YOU.

11 CHAIRMAN THOMAS: THANK YOU VERY MUCH,
12 DON. JUST A WORD TO THANK YOU FOR YOUR UNENDING AND
13 INCREDIBLE SUPPORT FOR CIRM PREINCEPTION. YOU'RE
14 OUR STAUCHEST ADVOCATE AND SPOKESPERSON AND
15 CHRONICLER, AND WE GREATLY APPRECIATE EVERYTHING YOU
16 HAVE DONE AND WILL CONTINUE TO DO.

17 MR. REED: THANK YOU, SIR.

18 CHAIRMAN THOMAS: THAT WILL BE THE TAGLINE
19 ON THE ARTICLE, DAVID.

20 SO IS THERE OTHER ON PUBLIC COMMENTS HERE,
21 EITHER HERE ARE AT ANY OF OUR SITES? NEARING NONE,
22 I'D LIKE TO THANK -- ECHO JEFF'S COMMENTS. THANK
23 YOU, EVERYBODY, FOR YOUR PARTICIPATION. I WOULD
24 LIKE TO THANK BOB FOR YOUR WILLINGNESS TO TAKE UP
25 THE MANTLE OF THE AGENCY'S FUTURE AS YOU DID

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1 ORIGINALLY IN 2004. OBVIOUSLY VERY MEANINGFUL. I
2 WOULD LIKE TO THANK THOSE OF YOU WHO HAVE PUT IN
3 COMMENTS. JEFF, THANK YOU FOR YOUR COMMENTS THAT
4 DROVE A LOT OF THE CONVERSATION. STEVE, THANK YOU
5 FOR YOUR COMMENTS THAT LIKewise DROVE A LOT OF THE
6 CONVERSATION. MANY OF YOU MEMBERS OF THE BOARD HAVE
7 HAD DISCUSSIONS ABOUT THE INITIATIVE AND SERIOUS
8 TALKS WITH BOB, WITH OTHERS, WITH ME.

9 I PERSONALLY SPENT PROBABLY 20 HOURS ON
10 THE PHONE IN ADVANCE OF THIS MEETING TALKING TO
11 EVERYBODY, INCLUDING A VERY PRODUCTIVE HOUR AND A
12 HALF WITH JEFF, TALKING WITH BOB A NUMBER OF
13 OCCASIONS. I THINK THIS HAS BEEN A VERY MEANINGFUL
14 EXERCISE, ONE OF THE MOST IMPORTANT MEETINGS THAT WE
15 HAVE HAD AS IT DEALS WITH THE DIRECTION OF OUR
16 FUTURE. AND I, FOR ONE, FEEL THAT WE SHOULD FEEL
17 VERY GOOD ABOUT THE DISCUSSION AND THE INPUT AND THE
18 EXCHANGE AND THE WILLINGNESS TO HEAR DIFFERENT
19 OPINIONS AND TO INTEGRATE THEM INTO THE WORKING
20 WHOLE THAT WILL BE THE FINAL INITIATIVE. SO THANK
21 YOU, EVERYBODY.

22 WITHOUT FURTHER ADO, WE STAND ADJOURNED.

23 MR. TORRES: HERE. HERE.

24 (THE MEETING WAS THEN CONCLUDED AT 11:11 A.M.)

25

REPORTER'S CERTIFICATE

I, BETH C. DRAIN, A CERTIFIED SHORTHAND REPORTER IN AND FOR THE STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE FOREGOING TRANSCRIPT OF THE TELEPHONIC PROCEEDINGS BEFORE THE INDEPENDENT CITIZEN'S OVERSIGHT COMMITTEE OF THE CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE IN THE MATTER OF ITS REGULAR MEETING HELD ON NOVEMBER 15, 2019, WAS HELD AS HEREIN APPEARS AND THAT THIS IS THE ORIGINAL TRANSCRIPT THEREOF AND THAT THE STATEMENTS THAT APPEAR IN THIS TRANSCRIPT WERE STENOGRAPHICALLY BY ME AND TRANSCRIBED BY ME. I ALSO CERTIFY THAT THIS TRANSCRIPT IS A TRUE AND ACCURATE RECORD OF THE PROCEEDING.

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